

CHANGE REQUEST COVER SHEET

Change Request Number: 11-46

Date Received: 8/17/2010

Title: Past Performance - Change from CPS to CPARS

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Policy OR Guidance: Guidance

Section/Text Location Affected: T3.2.2 plus new clause

Summary of Change: References to Contractor Performance System (CPS) as the feeder system for entering contractor performance evaluations into the Past Performance Information and Retrieval System (PPIRS) changed to the Contractor Performance Assessment Reporting System (CPARS)- new Appendix to Guidance for guide to CPARS

Reason for Change: The National Institute of Health (NIH) shut down the CPS as of September 30, 2010. The Department of Defense CPARS has replaced CPS as the feeder system for entering data into PPIRS.

Development, Review, and/or Concurrence: Acquisition Policy Division; Legal; and Contracting Organizations at FAA HQ, Centers, and Regions (ARC)

Target Audience: FAA Contracting Workforce and Program Offices

Potential Links within FAST for the Change: None

Briefing Planned: No

ASAG Responsibilities: None

Potential Links within FAST for the Change: None

Links for New/Modified Forms (or) Documents (LINK 1) [null](#)

Links for New/Modified Forms (or) Documents (LINK 2) [null](#)

Links for New/Modified Forms (or) Documents (LINK 3) [null](#)

SECTIONS ADDED:

Procurement Guidance:

T3.2.2 - Source Selection

Appendix

Section 4 : FAA CPARS Guide [\[New Content\]](#)

SECTIONS EDITED:

Procurement Guidance:

T3.2.2 - Source Selection

Source Selection

Section 3 : Past Performance [\[Old Content\]](#)[\[New Content\]](#) [\[RedLine Content\]](#)

SECTIONS ADDED:

Procurement Guidance:

T3.2.2 - Source Selection

Appendix

Section 4 : FAA CPARS Guide

FAA Use of Contractor Performance Assessment Reporting System (CPARS)

1.0 Introduction

This Guide assigns responsibilities and provides procedures for systematically assessing contractor performance in accordance with AMS Procurement Guidance T3.2.2A.3.

1.1 Background

The Contractor Performance Assessment Reporting System (CPARS) is a paperless contracting initiative housed and maintained by the DoD. Since the National Institutes of Health (NIH) discontinued use of its Contractor Performance System (CPS), CPARS has been mandated for use across all Federal Government agencies as the "feeder" system for entering contract performance data into the Government-wide Past Performance Information Retrieval System (PPIRS). Use of the CPARS for is strongly encouraged as it ensures that FAA contract performance evaluations will be entered into the PPIRS database to enhance the centralized data repository of contractor performance information. All CPARS evaluations must be initiated and completed electronically within the system. This Guide refers only to the CPARS module under which performance evaluations for most CPARS evaluations will be done. Any performance evaluations for architect-engineer or construction contracts will be done under the separate ACASS and CCASS modules respectively. Information on all modules is available on the CPARS website.

1.2 Purpose

The primary purpose of the CPARS is to ensure that current and accurate data on contractor performance is available for use in source selections. The completed past performance assessments are available through the PPIRS. In addition to the sources of information outlined in AMS Procurement Guidance T3.2.2A.3, the Contracting Officer may use information available through PPIRS to support responsibility determinations of prospective

contractors. Senior FAA and contractor officials may also use the information derived from the CPARS for other management purposes consistent with AMS Guidance.

CPAR assesses a contractor's performance, both positively and negatively as appropriate, providing a record on a given contract during a specified period of time. Each assessment must be based on objective data (or measurable, subjective data when objective data is not available) supportable by program and contract management data (see Section 1.4). CPARS performance expectations must be addressed in the Government and contractor's initial post-award meeting.

1.3. Responsibility for Completing CPARS Assessments

Responsibility for completing quality CPARS assessments in a timely manner rests with the Assessing Official (AO), who may be the program manager (PM), contracting officer's technical representative (COTR) or the equivalent individual responsible for program, project, or task/job/delivery order execution. The AO is supported in this process by the Assessing Official Representative (AOR). The AOR may be the Performance Evaluator, Quality Assurance Evaluator, Requirements Indicator, or Task Monitor for tasks under IDIQ contracts. The AO and AOR will be responsible for entering the ratings and narratives for each assessment performed.

The CPARS process is designed with checks-and-balances to facilitate the objective and consistent evaluation of contractor performance. Both Government and contractor perspectives are captured on the CPAR form. The opportunity to review and comment on the CPAR by the designated Government and contractor personnel makes a complete CPAR.

In the event there are multiple CPARs on one contract due to geographically separated units, the AO of the office with the preponderance of the effort (based on largest dollar value) on the contract will consolidate the multiple CPARs and provide a consensus evaluation and rating of the performance prior to forwarding to the contractor.

1.4 CPAR Evaluation Methodology

The value of a CPAR to a future source selection team is linked to the care the AO takes in preparing a quality and timely narrative to accompany the CPAR ratings. It is of the utmost importance that the AO submits a rating consistent with the definitions of each rating and thoroughly describes the circumstances surrounding a rating. The definitions of each rating, together with related guidance for preparing the narrative, are provided in Attachment 1.

Each evaluation must be based on objective data (or subjective data when objective data is not available) supported by program and contract management records. The following sources of data are recommended:

- Contractor operations reviews
- Status and progress reviews
- Production and management reviews
- Management and engineering process reviews (e.g. risk management, requirements management, etc.)
- Cost performance reports and other cost and schedule metrics
- Other program measures and metrics such as:
 - Measures of progress and status of critical resources

- Measures of product size and stability
- Measures of product quality and process performance
- Customer feedback/comments and satisfaction ratings
- Systems engineering and other technical progress reviews
- Technical interchange meetings
- Physical and functional configuration audits
- Quality reviews and quality assurance evaluations
- Subcontracting reports
- Earned contract incentives and award fee determinations

Subjective assessments concerning the cause or ramifications of the contractor's performance may be provided; however, speculation or conjecture must not be included.

1.5 Uses of Summary CPAR Data

Summary data from the CPARS database or from the reports themselves may be used to measure the status of industry performance and support continuous process improvement. Further analysis of data from the CPARS database may be accomplished by the CPAR Focal Point for internal Government use but is not authorized for release outside the Government.

1.6 Change-of-Name/Novation

See AMS Procurement Guidance T3.10.1A.8 for guidance in these circumstances since the Dun & Bradstreet Universal Numbering System (DUNS), Commercial and Government Entity (CAGE) codes and contractor names may be affected in the CPARS. The AO of each contract affected by any such changes is ultimately responsible for ensuring that the contract information in the CPARS is current and correct.

2.0 Considerations for Use

Examples of FAA acquisitions for which CPARS may be appropriate are the following (individually or in combination):

- Technically complex,
- High dollar value, and/or
- More than one year in duration

2.1 CPARS for Indefinite-Delivery Contracts, Basic Ordering Agreements (BOAs) and Blanket Purchase Agreements (BPAs)

For indefinite-delivery contracts and BPAs using CPARS, a CPAR must be completed on each order as considered appropriate. The cognizant program office for the contract or agreement will determine whether CPARS will be completed:

- On each order meeting a pre-determined threshold, and combining orders into one CPAR
- On each order, or
- By combining all orders into one CPAR (regardless of dollar value).

In cases where each order is below the pre-determined threshold and, combined, they add up to the threshold, complete a CPAR at the basic contract or agreement level in CPARS by combining all orders, provided that a single ordering/requiring activity exists and the effort on each order is similar.

Combining orders into one CPAR may not be feasible, when contracts are used by multiple activities or agencies, or when individual orders could be significantly different. When orders are combined, the narrative describing the contractor's performance on each order, both positive and negative, must be included so that the breadth and quality of information is available for source selection official use.

For BOA orders, a CPAR must only be completed on each order meeting the threshold.

If a consolidated CPAR for all orders is completed, the period of performance for the assessment shall be based on the effective date/award date of the basic contract and each subsequent, exercised option year period. Where possible, each order number and title may be included in Block 17. Narrative must be provided on the contractor's performance on each order (in Block 20) so that the breadth and quality of information on the order is available for source selection official use.

If separate CPARs for any single orders are accomplished, the period of performance for the assessments will be based on the effective date/award date of each individual order.

2.2 CPARs for Orders Under Federal Supply Schedules

For CPARS evaluations on Federal Supply Schedule Orders, the period of performance for the assessment shall be based on the effective date/award date of the individual order.

2.3 Joint Ventures

When the joint venture on a contract using CPARS has a unique CAGE code and DUNS number, a single CPAR will be prepared for the joint venture using those CAGE and DUNS codes. If the joint venture does not have a unique CAGE code and DUNS code, separate CPARs containing identical narratives will be prepared for each participating contractor and will reference that the evaluation is based on performance under a joint venture and will identify the contractors that were part of the joint venture.

2.4 Letter or Ceiling Priced Contracts

Assessment information regarding performance under letter or ceiling priced contracts using CPARS must be included in the annual evaluation. If the final negotiated contract type is not a cost-type, cost information for the period such an action was in effect (if applicable) must be included under the Cost rating element in the CPAR. If the final negotiated contract type is a cost-type, cost information for the entire period of performance must be included under the Cost rating element. The supporting narrative must fully explain the contractor's performance during the action, including throughout definitization. The contractor's performance under the undefinitized period must be separately identified but considered in the overall CPAR.

2.5 Subcontractor Assessments

Assessments will not be completed on subcontractor performance. However, an assessment will address the prime contractor's ability to manage and coordinate subcontractor efforts, if applicable, as well as compliance with statutory requirements of the Small Business Subcontracting Program.

3.0 FAA Responsibilities

The FAA will:.

- Establish procedures to implement CPARS. These procedures will include training requirements for Focal Points, AOs, ROs, and Contractor Representatives to ensure procedures for monitoring the timely completion of reports, report integrity (e.g., quality of reports) and overall CPARS system administration are in place.
- Establish CPARS Focal Point(s)
- Register new contracts using CPARS in the system within 30 calendar days after contract award with the information for blocks 1-14 of the CPARS form. Registering the contract will establish the record and facilitate subsequent CPARS reporting.

3.1 CPARS Roles and Responsibilities

3.1.1 Agency Point of Contact (DOT Office of the Senior Procurement Executive (M-60))

The Agency Point of Contact is DOT, which responsible for administrative oversight of the CPARS process. Duties include:

- Obtaining Command Point of Contact access to CPARS
- Assigning of Senior Command Official(s)
- Serving on CPARS Operational Requirements Committee
- Monitoring to ensure effective implementation of the CPARS process

3.1.2 Senior Command Official (FAA Acquisition Policy Group (AJA-A1))

- Obtaining Senior Command Official access to CPARS by contacting the Agency Point of Contact
- Coordination and submittal of subordinate organization CPARS Focal Points to the CPARS Program Office
- Assistance to subordinate organization CPARS Focal Points (e.g., training, monitoring, and policy)
- Evaluating quality and compliance metrics of subordinate organizations
- Providing metrics for management, as requested
- Reviewing and providing subordinate organization issues to the CPARS Focal Point and/or the CPARS Program Office

3.1.3 Focal Point (FAA Procurement and Information Services Team (AJA-A12))

- Registering contracts using CPARS in the system within 30 calendar days of contract award
- Training in their prospective agency

- Assigning access authorization for FAA and contractor personnel (complete contract authorization based on information from the Contracting Officer, COTR/Project Officer, and contractor personnel authorized to appoint a designated representative)
- CPARS account management and maintenance
- Control and monitoring of CPARS, including the status of overdue evaluations
- Establishing processes to monitor quality reports in a timely manner
- Troubleshoot user errors-if cannot be mitigated, contact the CPARS Help Desk

3.1.4 Assessing Official (AO) (FAA COTR, Program/Project Manager, or Program Office Representative)

- Responsible for completing the CPAR
- Reviewing comments from the designated contractor representative once the evaluation has been returned by the contractor or after 30 days have lapsed
- After receiving and reviewing the contractor's comments on the CPAR, the AO may revise the assessment, including the narrative. The AO will notify the contractor of any revisions made to a report as a result of the contractor's comments. Such a revised report will not be sent to the contractor for further comment. The contractor will have access to both the original and final reports in CPARS when the FAA finalizes the evaluation.

3.1.5 Contractor Representative

The contractor on a given contract must designate two representatives to whom the evaluations will be sent automatically and electronically. The name, title, e-mail address and phone number of the designated contractor representative shall be provided to the Contracting Officer who will, in turn, provide that information to the CPARS Focal Point for authorization access. Any changes in designated contractor personnel shall be the sole responsibility of the contractor to inform the Contracting Officer or Contract Specialist who will in turn forward the information to the CPARS Focal Point. The designated contractor representative has the authority to:

- Receive the Government evaluation from the AO
- Review/comment/return evaluation within 30 calendar days. If the contractor desires a meeting with the AO to discuss the CPAR, it must be requested, in writing, no later than seven calendar days from the receipt of the CPAR. The meeting will be held during the contractor's 30-day review period.

3.1.6 Reviewing Official (RO) (FAA Contracting Officer)

The Reviewing Official is the final arbiter when there is disagreement between the government and the contractor. The RO must review and sign the assessment when the contractor indicates non-concurrence with the CPAR or when the contractor is non-responsive. The RO has the authority to:

- Provide narrative comment (the Reviewing Official's comments supplement those provided by the AO. They do not replace the ratings provided by the AO).
- Sign the CPAR (at this point it is considered final and is posted in the CPARS and is available for Source Selection Official use in the PPIRS)
- Ensuring a copy of the completed evaluation is placed in the contract file

4.0 Frequency of Reporting

Generally, reporting is done on an annual basis. When an out-of-cycle CPAR is required, however, it is acceptable to complete two CPARS in a given year for the contract. Out-of-cycle CPARs do not alter the annual reporting requirement. For example, if the regular CPAR period of performance ends on 30 September 2012 and an out-of-cycle CPAR is completed which covers a performance period that ends on 1 May 2012, the next intermediate CPAR report is still required to cover the period of performance from 1 October 2011 to 30 September 2012. A period of performance overlap is only permitted when an out-of-cycle CPAR report has been prepared.

4.1 Initial Reports

An initial CPAR is required for new contracts using CPARS that have a period of performance greater than 365 calendar days. The initial CPAR must reflect evaluation of at least the first 180 calendar days of performance under the contract, and may include up to the first 365 calendar days of performance. For contracts with a period of performance of less than 365 calendar days, see "Final Reports" below.

4.2 Intermediate Reports

Intermediate CPARs are required every 12 months throughout the entire period of performance of the contract after the initial report and up to the final report. An intermediate CPAR is also required:

- Upon a significant change in the quality of contractor performance, or
- Upon a significant change within the agency, provided that a minimum of six months of performance has occurred, such a change in program management responsibility:

An intermediate CPAR must be done prior to any transfer of Assessing Official duties from one individual to another to ensure continuity.

An intermediate CPAR is limited to contractor performance occurring after the preceding normal cycle CPAR. To improve efficiency in preparing the CPAR, the CPAR should be completed together with other reviews (e.g., award fee determinations, major program events, program milestones and quality assurance surveillance records).

4.3 Final Report

A final CPAR must be completed upon contract completion or delivery of the final major end item on contract. Final Reports are to be prepared on all contracts using CPARS with a period of performance of less than 365 calendar days. The final CPAR does not include cumulative information but is limited to the period of contractor performance occurring after the preceding CPAR. The CPAR Focal Point has the authority to approve extensions when special circumstances arise.

4.4 Out-of-Cycle Reports

An Out-of-Cycle CPAR may be appropriate when there is a significant change in performance that alters the assessment in one or more evaluation area(s). The contractor may request a new assessment or the AO may unilaterally prepare a new evaluation and process a new

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CPAR through the automated CPARS system. The determination as to whether or not to update an evaluation will be made solely by the AO. The evaluation will follow the same workflow as the annual evaluations and will be posted electronically in CPARS and PPIRS after review/coordination through the FAA and contractor.

4.5 Addendum Reports

Addendum reports may be prepared, after the final past performance evaluation, to record the contractor's performance relative to contract closeout, warranty performance and other administrative requirements.

5.0 Records Retention and Disposition

All records created under this document must be retained and disposed of in accordance with agency procedures and any applicable program security requirements.

5.1 CPAR Markings and Protection

Those granted access to CPARS are responsible for ensuring that CPARs are appropriately marked and handled. All CPAR forms, attachments and working papers must be marked "FOR OFFICIAL USE ONLY/SOURCE SELECTION INFORMATION". Caution must be exercised in transmitting any CPAR as an attachment to an email message.

CPARs may also contain information that is proprietary to the contractor. Information contained on the CPAR, such as trade secrets and protected commercial or financial data obtained from the contractor in confidence, must be protected from unauthorized disclosure. **AOs and ROs must annotate on the CPAR if it contains material that is a trade secret, etc., to ensure that future readers of the evaluations in the PPIRS are informed and will protect as required.** The following guidance applies to protection both internal and external to the FAA.

5.1.1 Internal FAA Protection

CPARs must be treated as source selection information at all times. Information contained in the CPAR must be protected in the same manner as information contained in source selection files.

5.1.2 External Government Protection

Due to the sensitive nature of CPARs, disclosure of CPAR data to contractors other than the contractor that is the subject of the report, or other entities outside the FAA, is not authorized. Disclosure of CPAR data to advisory and assistance support contractors other than the contractor that is the subject of the report is strictly prohibited. A contractor will be granted access to its CPARs maintained in CPARS by the appropriate Focal Point.

5.2 Freedom of Information Act (FOIA)

Contractor performance information is privileged source selection information. It is also protected by the Privacy Act and is not releasable under the Freedom of Information Act. Performance assessments may be withheld from public disclosure under Exemption 5

of the Freedom of Information Act. The FOIA office must coordinate the request with the CPARS PMO and local FAA Focal Point.

5.3 Use of CPARS in Source Selection

CPARs provide an assessment of ongoing performance of contractors. Each report consists of a narrative evaluation by the AO, the contractor's comments, if any, relative to the assessment and the RO's acknowledged consideration and reconciliation of significant discrepancies between the AO's evaluation and the contractor's comments. Source selection officials retrieve CPARs by using the PPIRS.

5.4 CPAR Format

See Attachments 2, 3, or the CPARS website.

Attachment 1

Evaluation Rating Definitions (Excluding Utilization of Small Business)		
Rating	Definition	Note
Dark Blue/Exceptional	Performance meets contractual requirements and exceeds many to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor was highly effective.	To justify an Exceptional rating, identify multiple significant events and state how they were of benefit to the Government. A singular benefit, however, could be of such magnitude that it alone constitutes an Exceptional rating. Also, there must have been NO significant weaknesses identified.
Purple/Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor was effective.	To justify a Very Good rating, identify a significant event and state how it was a benefit to the Government. There must have been no significant weaknesses identified.
Green/Satisfactory	Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by	To justify a Satisfactory rating, there must have been only minor problems, or major problems the contractor recovered from without impact to the contract. There must have been NO significant

	the contractor appear or were satisfactory.	weaknesses identified. Contractors will not be assessed a rating lower than Satisfactory solely for not performing beyond the requirements of the contract.
Yellow/Marginal	Performance does not meet some contractual requirements. The contractual performance of the element or sub-element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented.	To justify Marginal performance, identify a significant event in each category that the contractor had trouble overcoming and state how it impacted the Government. A Marginal rating must be supported by referencing the management tool that notified the contractor of the contractual deficiency (e.g., management, quality, safety, or environmental deficiency report or letter).
Red/Unsatisfactory	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.	To justify an Unsatisfactory rating, identify multiple significant events in each category that the contractor had trouble overcoming and state how it impacted the Government. A singular problem, however, could be of such serious magnitude that it alone constitutes an unsatisfactory rating. An Unsatisfactory rating must be supported by referencing the management tools used to notify the contractor of the contractual deficiencies (e.g., management, quality, safety, or environmental deficiency reports, or letters).

NOTE 1: Plus or minus signs may be used to indicate an improving (+) or worsening (-) trend insufficient to change the assessment status.

NOTE 2: N/A (not applicable) must be used if the ratings are not going to be applied to a particular area for evaluation.

Evaluation Ratings Definitions (Utilization of Small Business)		
Rating	Definition	Note
Dark Blue/Exceptional	Exceeded all negotiated subcontracting goals or exceeded at least one goal and met all of the other negotiated subcontracting goals for the current period. Had exceptional success with initiatives to assist, promote, and utilize small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), veteran-owned small business (VOSB) and service disabled veteran owned small business (SDVOSB). Complied with AMS, 3.6.1-3 Utilization of Small, Small Disadvantaged and Women-Owned, and Service-Disabled Veteran Owned Small Business Concerns (February 2009). Exceeded any other small business participation requirements incorporated in the contract, including the use of small businesses in mission critical aspects of the program. Went above and beyond the required elements of the subcontracting plan and other small business requirements of the contract. Completed and submitted Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate and timely manner.	To justify an Exceptional rating, identify multiple significant events and state how they were a benefit to small business utilization. A singular benefit, however, could be of such magnitude that it constitutes an Exceptional rating. Ensure that small businesses are given meaningful, innovative work directly related to the project, rather than peripheral work, such as cleaning offices, supplies, landscaping, etc. Also, there must have been no significant weaknesses identified.
Purple/Very Good	Met all of the negotiated subcontracting goals in the traditional socio-economic categories (SB, SDB and	To justify a Very Good rating, identify a significant event and state how they were a benefit to small

	<p>WOSB) and met at least one of the other socio-economic goals (SDVOSB) for the current period. Had significant success with initiatives to assist, promote and utilize SB, SDB, WOSB, VOSB, and SDVOSB. Complied with AMS, 3.6.1-3. Met or exceeded any other small business participation requirements incorporated in the contract, including the use of small businesses in mission critical aspects of the program. Endeavored to go above and beyond the required elements of the subcontracting plan. Completed and submitted Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate and timely manner.</p>	<p>business utilization. Ensure that small businesses are given meaningful, innovative work directly related to the project, rather than peripheral work, such as cleaning offices, supplies, landscaping, etc. There must be no significant weaknesses identified.</p>
Green/Satisfactory	<p>Demonstrated a good faith effort to meet all of the negotiated subcontracting goals in the various socio-economic categories for the current period. Complied with AMS, 3.6.1-3. Met any other small business participation requirements included in the contract. Fulfilled the requirements of the subcontracting plan included in the contract. Completed and submitted Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate and timely manner.</p>	<p>To justify a Satisfactory rating, there must have been only minor problems, or major problems the contractor has addressed or taken corrective action. There must have been no significant weaknesses identified.</p>
Yellow/Marginal	<p>Deficient in meeting key subcontracting plan elements. Deficient in complying with AMS, 3.6.1-3, and any other</p>	<p>To justify a Marginal rating, identify a significant event that the contractor had trouble overcoming and how it impacted small</p>

	<p>small business participation requirements in the contract. Did not submit Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate or timely manner. Failed to satisfy one or more requirements of a corrective action plan currently in place; however, does show an interest in bringing performance to a satisfactory level and has demonstrated a commitment to apply the necessary resources to do so. Required a corrective action plan.</p>	<p>business utilization. A Marginal rating must be supported by referencing the actions taken by the government that notified the contractor of the contractual deficiency.</p>
Red/Unsatisfactory	<p>Noncompliant with AMS 3.6.1-3, and any other small business participation requirements in the contract. Did not submit Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate or timely manner. Showed little interest in bringing performance to a satisfactory level or is generally uncooperative. Required a corrective action plan.</p>	<p>To justify an Unsatisfactory rating, identify multiple significant events that the contractor had trouble overcoming and state how it impacted small business utilization. A singular problem, however, could be of such serious magnitude that it alone constitutes an Unsatisfactory rating. An Unsatisfactory rating must be supported by referencing the actions taken by the government to notify the contractor of the deficiencies. When an Unsatisfactory rating is justified, the Contracting Officer must consider whether the contractor made a good faith effort to comply with the requirements of the subcontracting plan required and any other applicable clauses.</p>

NOTE 1: Plus or minus signs may be used to indicate an improving (+) or worsening (-) trend insufficient to change assessment status.

NOTE 2 Zero percent is not a goal unless the Contracting Officer determined when negotiating the subcontracting plan that no subcontracting opportunities exist in a particular socio-economic category. In such cases, the contractor shall be considered to have met the goal for any socio-economic category where the goal negotiated in the plan was zero.

Attachment 2 Instructions for Completing a Systems CPAR

A2.1 The Systems Business Sub-Sectors (not all of which are applicable to FAA procurements) are Aircraft, Shipbuilding, Space, Ordnance, Ground Vehicles, Training Systems, or Other Systems.

A2.2 **Block 1 Name/Address of Contractor.** State the name and address of the division or subsidiary of the contractor that is performing the contract. Identify the parent corporation (no address required). Identify the CAGE code, DUNS+4 number, Federal Supply Classification (FSC) or Service Code, and North American Industrial Classification System (NAICS) Code. All codes can be accessed by using the on-screen "lookup" function provided in the electronic form.

A2.3 **Block 2 Type Report.** Indicate whether the CPAR is an initial, intermediate, or final report. If this is an "out-of-cycle" report, select "out-of-cycle." If this is a report to record contractor performance relative to contract closeout or other administrative requirements, select "Addendum."

A.2.4 **Block 3 Period of Performance Being Assessed.** State the period of performance covered by the report (dates must be in MM/DD/YYYY format). The initial period of performance should not cover less than six months of actual performance.

A2.4.1 **Period of Performance for Delayed Starts, Protests or Phase In Periods.** In the case of delayed starts or protests, the initial period of performance may cover more than twelve months of time since contract award, but normally no more than twelve months of actual contract performance. Initial periods reporting on performance greater than 12 months (such as for phase-in periods) must be approved by the CPAR Focal Point and coordinated with the contractor. The period of performance should not already include reported efforts except when an out-of-cycle CPAR has been processed.

A2.4.2 **Period of Performance for Intermediate/Final Reports.** CPAR assessments for intermediate and final reports should cover a 12 month period of performance. Exceptions to this rule for special circumstances, such as a period of performance that ends one month before contract completion or in those instances (up to six months beyond the annual period) where the performance has been extended must be approved by the CPAR Focal Point.

A2.4.3 **Period of Performance for Out-of-Cycle Reports.** Select "Out-of-Cycle" from the drop-down menu if the AO elects to prepare an out-of-cycle report which will be posted to CPARS for a time period which overlaps the regularly scheduled performance period if there has been a significant change in the performance which alters the assessment in one or more evaluation area(s) since the last performance period. If the AO chooses to have the Out-of-Cycle report posted in the CPARS AIS (and ultimately the PPIRS), the CPAR will be processed through the regular work flow (Government and contractor review). See Paragraph 4.4 for more information on Out-of-Cycle reports.

A.2.3.5 **Block 4a Contract Number.** Use the contract number as identified on the contract, except in the case of BOAs, BPAs, GSA schedule and other agency orders. If an order/call is issued under a BOA, BPA, GSA schedule or other agency contract/agreement, the contract number in CPARS should match the master contract number. The order/call number field should be used to reflect the contract/schedule/agreement number for the order/call.

A2.6 **Block 4b Business Sector and Sub Sector.** Select Services/IT/Operations

A2.7 **Block 5 Contracting Office (Organization and Code).** Identify the contracting office symbol..

A2.8 **Block 6 Location of Contract Performance.** Provide a geographical reference (e.g., nearest city and installation name).

A2.9 **Block 7a Contracting Officer.** Self-explanatory.

A2.9.1 **Block 7b Phone Number.** Include commercial phone number in the following format: (XXX) XXX-XXXX

A2.10 **Block 8a Contract Award Date.** Identify the date of contract award or select the date on the on-screen, drop-down calendar.

A2.10.1 **Block 8b Contract Effective Date.** Identify the date (MM/DD/YYYY) that actual contract performance is set to begin or select the on-screen calendar only if that date is later than Block 8a, Contract Award Date.

A2.11 **Block 9 Contract Completion Date.** Identify the last possible date of contract performance (e.g., the last calendar day of the last option period) or select the date on the on-screen, drop-down calendar.

A2.12 **Block 10 Contract Percent Complete/Delivery Order Status.** State the current percent of the contract that is complete. If Cost Performance Reports (CPR) or Cost/Schedule Status Reports (C/SSR) data is available, calculate percent complete by dividing cumulative Budgeted Cost of Work Performed (BCWP) by Contract Budget Base (CBB) (less management reserve) and multiply by 100. CBB is the sum or negotiated cost plus estimated cost of authorized undefinitized work. If CPR or C/SSR data is not available, estimate percent complete by dividing the number of months elapsed by total number of months in contract period of performance and multiplying by 100. In the event an Indefinite Delivery contract is utilized, estimate the percent complete.

A2.13 **Block 11 Awarded Value.** Enter the total value of the contract, including unexercised options. For delivery/task/job order contracts where orders will be assessed under a single CPAR, enter the maximum ordering amount under the contract, including options. For delivery/task/job order contracts where orders will be assessed on an individual basis, enter the awarded value of the individual order. For BOAs/BPAs where orders/calls will be assessed individually, enter the awarded value of the individual order/call.

A2.14 **Block 12 Current Contract Dollar Value.** State the current obligated amount including modifications and options that have been exercised. For incentive contracts, state

the target price or total estimated amount. For delivery/task order contracts where orders will be assessed under a single CPAR, state the total amount obligated on all delivery orders, including modifications. For delivery/task/job order contracts where orders will be assessed on an individual basis, state the current obligated amount of the individual order, including modifications. For BOAs/BPAs where orders/calls will be assessed individually, state the current obligated amount of the individual order/call, including modifications.

A2.15 Block 13 Basis of Award. Identify the basis of award by selecting competitive or non-competitive. If the CPAR is for a single order/call, select the basis of award for that order/call.

A2.16 Block 14 Contract Type. Identify the contract type. For mixed contract types, select the predominant contract type and identify the other contract type in the "mixed" block.

A2.17 Block 15 Key Subcontractors and Description of Effort Performed. Identify subcontractors, including CAGE code and DUNS +4 number, performing either a critical aspect of the contracted effort or more than 25 percent of the dollar value of the effort

A2.18 Block 16 (Systems) Program Title and Phase of Acquisition. Provide a descriptive narrative of the program. Spell out all abbreviations and acronyms. Identify overall program phase and production lot (for example, concept development, engineering and manufacturing development, low-rate initial production, or full-rate production (Lot 1)), and any specific aspects of the phase of the acquisition being evaluated. Identify milestone phases, if applicable.

Block 16 (Ship Repair and Overhaul) – Type of Availability. Not applicable to FAA contracts.

A2.19 Block 17 Contract Effort Description. This section is of critical importance to future source selection teams. The description should be detailed enough to assist a future source selection officials in determining the relevance of this program to their source selection. It is important to address the complexity of the contract effort and the overall technical risk associated with accomplishing the effort. For intermediate CPARs, a description of key milestone events that occurred in the review period may be beneficial (e.g., Critical Design Review (CDR), Functional Configuration Audit (FCA)), as well as major contract modifications during the period. Ensure all acronyms are identified.

Provide a complete description of the contract effort that identifies key technologies, components, subsystems, and requirements. For task/delivery/job order contracts, state the number of tasks issued during the period, tasks completed during the period, and tasks that remain active.

For contracts that include multiple functional disciplines or activities, separate them into categories to:

1. Reflect the full scope of the contract, and
2. Allow grouping of similar work efforts within the categories to avoid unnecessary segregation of essentially similar specialties or activities. Each category or area should be separately numbered, titled and described within Block 17 to facilitate

cross-referencing with the evaluation of the contractor's performance within each category in Blocks 18 and 19.

A2.20 Small Business Utilization. Answer the following questions:

1. Does this contract include a subcontracting plan?
2. Is small business subcontracting under this contract included in a comprehensive small business subcontracting plan?
3. Is small business subcontracting under this contract included in a commercial small business subcontracting plan?
4. Date of last Individual Subcontracting Report (ISR)/Summary Subcontracting Report (SSR)?

A2.21 Block 18 Evaluation Areas. Evaluate each area based on the following criteria:

A2.21.1 Each area assessment must be based on objective data that will be provided in Block 20. Facts to support specific areas of evaluation must be requested from the AORs, AOs and other Government specialists familiar with the contractor's performance on the contract under review. Such specialists may, for example, be from engineering, manufacturing, quality, logistics (including provisioning), contracting, maintenance, security, etc.

A2.21.2 The amount of risk inherent in the effort should be recognized as a significant factor and taken into account when assessing the contractor's performance. For example, if a contractor meets an extremely tight schedule, a dark blue (exceptional) may be appropriate, or meeting a tight schedule with few delinquencies, a green (satisfactory) with a plus sign assessment may be given in recognition of the inherent schedule risk. When a contractor identifies significant technical risk and takes action to abate those risks, the effectiveness of these actions should be included in the narrative supporting the Block 18 ratings.

A2.21.3 The CPAR is designed to assess prime contractor performance. In those evaluation areas where subcontractor actions have significantly influenced the prime contractor's performance in a negative or positive way, record the subcontractor actions in Block 20.

A2.21.4 Many of the evaluation areas in Block 18 represent groupings of diverse elements. The AO should consider each element and use the area rating to highlight significant issues. In addition, the AO should clearly focus on the contractor's "results" as they may be appropriate for the period being assessed in determining the overall area rating.

A2.21.5 Evaluate all areas which pertain to the contract under evaluation unless they are not applicable (N/A).

A2.21.6 When performance has changed from one period to another such that a change in ratings results, the narrative in Block 20 must address each change.

A2.21.7 The AO should use customary industry quantitative measures where they are applicable if the contract is for commercial products.

A2.21.8 Ratings will be in accordance with the definitions described in Attachment 2, "Evaluation Ratings Definitions."

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A2.22 Block 18a Technical (Quality of Product). This element is comprised of an overall rating and six sub-elements. Activity critical to successfully complying with contract requirements must be assessed within one or more of these sub-elements. The overall rating at the element level is the AO's integrated evaluation as to what most accurately depicts the contractor's technical performance or progress toward meeting requirements. This assessment is not a roll-up of the sub-element assessments.

A2.22.1 Block 18a(1) Product Performance. Assess the achieved product performance relative to performance parameters required by the contract.

A2.22.2 Block 18a(2) Systems Engineering. Assess the contractor's effort to transform operational needs and requirements into an integrated system design solution.

A2.22.2.1 Areas of focus should be: the planning and control of technical program tasks, the quality and adequacy of the engineering support provided throughout all phases of contract execution, the integration of the engineering specialties, management of interfaces, interoperability, and the management of a totally integrated effort of all engineering concerns to meet cost, technical performance, and schedule objectives.

A2.22.2.2 System engineering activities ensure that integration of these engineering concerns is addressed up-front and early in the design/development process. The assessment should cover these disciplines: systems architecture, design, manufacturing, integration and support, configuration control, documentation, test and evaluation.

A2.22.2.3 The assessment for test and evaluation should consider success/problems/failure in developing test and evaluation objectives; planning (ground/air/sea) test, simulations and/or demonstrations; in accomplishing those objectives and on the timeliness of coordination and feedback of the test results (simulations/demonstrations) into the design and/or manufacturing process.

A2.22.2.4 Other activities include production engineering, logistics support analysis, supportability considerations (maintenance personnel/skills availability or work hour constraints, operating, and cost constraints, allowable downtime, turnaround time to service/maintain the system, standardization requirements), survivability, human factors, reliability, quality, maintainability, availability, inspection, etc. Although some of these activities will be specifically addressed in other elements/sub-elements (such as product assurance), the focus of the assessment of systems engineering is on the integration of those specific disciplines/activities.

A2.22.2.5 The assessment of systems engineering needs to remain flexible to allow the evaluator to account for program-unique technical concerns and to allow for the changing systems engineering environment as a program moves through the program phases, e.g., Engineering and Manufacturing Development, Production.

A2.22.3 Block 18a(3) Software Engineering. Assess the contractor's success in meeting contract requirements for all applicable software engineering based activities and processes.

A2.22.3.1 Software engineering activities include, as appropriate, software development (design, code, and unit test); application of reuse, COTS, and other non-developmental software components; integration (including software component integration, system

integration and test, and acceptance test support); and sustainment. Software processes include, for example: software size, effort, and schedule estimation; requirements analysis, development, and management; software configuration management; software risk identification and management; metrics collection and analysis, technical reviews, decision analysis, and software quality assurance and control, each as they specifically address software engineering activities.

A2.22.3.2 Consider the contractor's success with respect to:

1. Planning a software development, integration, and testing effort that includes compatible cost, schedule, and performance baselines
2. Delivering expected software driven capabilities on cost and on schedule
3. Effective software metrics collection/analysis and status monitoring/reporting that provide the software visibility necessary to identify timely corrective actions and appropriately execute them
4. Staffing with the software knowledge, skills, and abilities needed to execute the contract across the lifecycle; timely assignment of the appropriate numbers of software staff
5. Awareness and control of software size and stability to enable tracking and allowing growth according to vetted enhancements vice scope creep
6. Effective testing and integration of developed software within the larger system test and evaluation effort
7. Effective processes to acquire, integrate, and test commercial off-the-shelf software and to achieve planned software reuse
8. Achieving software assurance
9. Consistent application of documented software engineering and management processes, including technical reviews, in alignment with contract requirements

A2.22.4 **Block 18a(4) Logistic Support/Sustainment.** Assess the success, as appropriate, of the contractor's performance in accomplishing logistics planning. For example, maintenance planning; manpower and personnel; supply support; support equipment; technical provisioning data; training and support; computer resources support; facilities; packaging, handling, storage and transportation; design interface; the contractor's performance of logistics support analysis activities and the contractor's ability to successfully support fielded equipment. When the contract requires technical and/or engineering data deliverables, the cognizant cataloging and/or standardization activity comments should be solicited.

A2.22.5 **Block 18a(5) Product Assurance.** Assess how successfully the contractor meets program quality objectives; e.g., production, reliability, maintainability, inspection, testability, and system safety, and controls the overall manufacturing process. The PM must be flexible in how contractor success is measured, e.g., data from design test/operational testing successes, field reliability and maintainability and failure reports, user comments and acceptance rates, improved subcontractor and vendor quality, and scrap and rework rates. These quantitative indicators may be useful later, for example, in source selection evaluations, in demonstrating continuous improvement, quality and reliability leadership that reflects progress in total quality management. Assess the contractor's control of the overall manufacturing process to include material control, shop floor planning and control, status and control, factory floor optimization, factory design, and factory performance.

A2.22.6 **Block 18a(6) - Other Technical Performance.** Assess all the other technical activity critical to successful contract performance. Identify any additional assessment aspects that are unique to the contract or that cannot be captured in another sub-element.

A2.23 **Block 18b Schedule.** Assess the timeliness of the contractor against the completion of the contract, task orders, milestones, delivery schedules, administrative requirements, etc. Assess the contractor's adherence to the required delivery schedule by assessing the contractor's efforts during the assessment period that contribute to or affect the schedule variance. Also, address significance of scheduled events (e.g., design reviews), discuss causes, and assess the effectiveness of contractor corrective actions.

A2.24 **Block 18c Cost Control. (Not Applicable for Firm-Fixed Price or Firm-Fixed Price with Economic Price Adjustment).** Assess the contractor's effectiveness in forecasting, managing, and controlling contract cost. Is the contractor experiencing cost growth or underrun, discuss the causes and contractor-proposed solutions for the cost overruns. For contracts where task or contract sizing is based upon contractor-provided person hour estimates, the relationship of these estimates to ultimate task cost should be assessed. In addition, the extent to which the contractor demonstrates a sense of cost responsibility, through the efficient use of resources, in each work effort should be assessed.

A2.24.1 Assessment information regarding performance under a UCA shall be included in the annual evaluation. If the final negotiated contract type is not a cost-type, cost information for the period the UCA was in effect shall be included under the Cost element. The contractor's performance under the UCA shall be separately identified but considered in the overall annual ratings.

A2.25 **Block 18d Management.** This element is comprised of an overall rating and three sub-elements. Activity critical to successfully executing the contract must be assessed within one or more of the sub-elements. This overall rating at the element level is the AO's integrated assessment as to what most accurately depicts the contractor's performance in managing the contracted effort. It is not a roll-up of the sub-element assessments.

A2.25.1 **Block 18d(1) Management Responsiveness.** Assess the timeliness, completeness and quality of problem identification, corrective action plans, proposal submittals (especially responses to change orders, Engineering Change Proposals (ECPs), or Letter or Ceiling Priced Contracts), the contractor's history of reasonable and cooperative behavior, effective business relations, and customer satisfaction. Consider the contractor's responsiveness to the program as it relates to meeting contract requirements during the period covered by the report.

A2.25.2 **Block 18d(2) Subcontract Management.** Assess the contractor's success with timely award and management of subcontracts. Assess the prime contractor's effort devoted to managing subcontracts and whether subcontractors were an integral part of the contractor's team. Consider efforts taken to ensure early identification of subcontract problems and the timely application of corporate resources to preclude subcontract problems from impacting overall prime contractor performance.

A2.25.3 **Block 18d(3) Program Management and Other Management.** Assess the extent to which the contractor discharges its responsibility for integration and coordination of all activity needed to execute the contract; identifies and applies resources required to

meet schedule requirements; assigns responsibility for tasks/actions required by contract; communicates appropriate information to affected program elements in a timely manner. Assess the contractor's risk management practices, especially the ability to identify risks and formulate and implement risk mitigation plans. If applicable, identify any other areas that are unique to the contract, or that cannot be captured elsewhere under the Management element.

A2.25.3.1 Integration and coordination of activities should reflect those required by the Integrated Master Plan/Schedule. Also consider the adequacy of the contractor's mechanisms for tracking contract compliance, recording changes to planning documentation and management of cost and schedule control system, and internal controls, as well as the contractor's performance relative to management of data collection, recording, and distribution as required by the contract.

A2.26 Block 18e Utilization of Small Business. FAA AMS T3.6.1 and Clause 3.6.1-4 contain requirements for complying with the Small Business Subcontracting Program. Assess whether the contractor provided maximum practicable opportunity for Small Business (including Alaska Native Corporations (ANCs) and Indian Tribes) (including Small Disadvantaged Businesses (which also includes ANCs and Indian Tribes), Women Owned Small Businesses, Veteran Owned, Service Disabled Veteran Owned Small Business, Historically Black Colleges and Minority Institutions and ANCs and Indian Tribes that are not Small Disadvantaged Businesses or Small Businesses) to participate in contract performance consistent with efficient performance of the contract.

A2.26.1 Assess compliance with all terms and conditions in the contract relating to Small Business participation. Where applicable, assess compliance with Small Business Subcontracting Plan (Test Program)) including any program specific data required in the contract. Assess achievement on each individual goal stated within the contract or subcontracting plan including good faith effort if the goal was not achieved.

A3.26.2 It may be necessary to seek input from the Small Business specialist, ACO or PCO in regards to the contractor's compliance with these criteria, especially when a comprehensive plan is submitted. In cases where the contractor has a comprehensive subcontracting plan, request the DCMA Comprehensive Subcontracting Plan Manager to provide input including any program specific performance information.

A2.26.3 For contracts subject to a commercial subcontracting plan, the Utilization of Small Business factor should be rated "green" as long as an approved plan remains in place, unless liquidated damages have been assessed by the Contracting Officer who approved the commercial plan (see AMS 3.6.1-6). In such case, the Utilization of Small Business area must be rated "red".

A2.26.4 This area must be rated for all contracts and task orders that contain a small business subcontracting goal.

A2.26.5 Ratings will be in accordance with definitions described in Attachment 1, "Evaluation Rating Definitions (Utilization of Small Business)."

A2.26.6 A contract may have no more than one subcontracting plan. Evaluations of the utilization of small business are required for contracts and orders placed against basic ordering agreement (BOA) and blanket purchase agreement (BPA) if a subcontracting plan is required. Evaluations of utilization of small business for single-agency task orders and

delivery orders (to include FSS) are not required and shall not be accomplished unless the Contracting Officer determines that such evaluations would produce more useful past performance information for source selection officials than that contained in the overall contract evaluation. Execution of any subcontracting plan may be addressed in block 20.

A2.27 Block 18f Other Areas. Specify additional evaluation areas that are unique to the contract or that cannot be captured elsewhere on the form. More than one type of entry may be included but should be separately labeled. If extra space is needed, use Block 20.

A2.27.1 If the contract contains an award fee clause, enter "award fee" in the "Other Areas" Block (18f). The AO should translate the award fee earned to color ratings which could prove more useful for using past performance to assess future performance risk in upcoming source selections. If award fee information is included in the CPAR, use Block 20 to provide a description for each award fee. Include the scope of the award fee by describing the extent to which it covers the total range of contract performance activities, or is restricted to certain elements of the contract.

A2.27.2 If any other type of contract incentive is included in the contract (excluding contract share incentives on fixed price or cost-type incentive contracts), it should be reported in a manner similar to the procedures described above for award fee (by entering "Incentive" in Block 18f).

A2.27.3 Use Block 18f in those instances where an aspect of the contractor's performance does not fit into any of the other blocks on the form. As an example, this block may be used to address security issues, provide an assessment of provisioning line items or other areas as appropriate.

A2.28 Block 19 Variance (Contract-to-Date). If Cost Performance Report (CPR) or Cost/Schedule Status Review (C/SSR) data are available, identify the current percent cost variance to date, the Government's estimated completion cost variance (percent), and the cumulative schedule variance (percent). Indicate the cutoff date for the CPR or C/SSR used.

A2.28.1 Compute current cost variance percentage by dividing cumulative cost variance to date (column 11 of the CPR, column 6 of the C/SSR) by the Budgeted Cost of Work Performed (BCWP) and multiply by 100.

A2.28.2 Compute completion cost variance percentage by dividing the Contract Budget Baseline (CBB) less the Government's Estimate At Completion (EAC) by CBB and multiplying by 100. The calculation is $[(CBB - EAC)/CBB] \times 100$. The CBB must be the current budget base against which the contractor is performing (including formally established Over Target Baselines (OTB)). If an OTB has been established since the last CPAR, a brief description in Block 20 of the nature and magnitude of the baseline adjustment must be provided. Subsequent CPARs must evaluate cost performance in terms of the revised baseline and reference the CPAR that described the baseline adjustment. For example, "The contract baseline was formally adjusted on (date); see CPAR for (period covered by report) for an explanation."

A2.28.3 Compute cumulative schedule variance percentage by dividing the Budgeted Cost of Work Performed (BCWP) less budgeted cost of work scheduled (BCWS) by BCWS and multiply by 100. The calculation is $[(BCWP - BCWS)/BCWS] \times 100$. If the schedule

variance exceeds 15 percent (positive or negative), briefly discuss in Block 20 the significance of this variance for the contract effort.

A2.29 Block 20 AO Narrative (see Paragraph 1.4). A factual narrative is required for all assessments regardless of color rating (e.g., even "green" or "satisfactory" ratings require narrative support). Cross-reference the comments in Block 20 to their corresponding evaluation area in Block 18 or 19. Each narrative statement in support of the area assessment must contain objective data. An exceptional cost performance assessment could, for example, cite the current underrun dollar value and estimate at completion. A marginal engineering design/support assessment could, for example, be supported by information concerning personnel changes. Key engineers familiar with the effort may have been replaced by less experienced engineers. Sources of data include operational test and evaluation results; technical interchange meetings; production readiness reviews; earned contract incentives; or award fee evaluations. The AO's comments in Block 20 may be up to 16,000 characters (approximately three pages) in CPARS.

A2.29.1 The AO must choose the applicable choice to the following statement after block 20: "Given what I know today about the contractor's ability to execute what he promised in his proposal, I (definitely would not, probably would not, might or might not, probably would or definitely would) award to him today given that I had a choice."

A2.30 Block 21 AO Signature. The AO enters his or her name, title, and organization, phone number (in the following format: (XXX)XXX-XXXX), email address, FAX number, and signs and dates the form prior to making it available to the contractor for review.

A2.31 Block 22 Contractor Comments. Completed at the option of the contractor. The contractor's narrative comments may be up to 16,000 characters (approximately three pages).

A2.32 Block 23 Contractor Representative Signature. The contractor representative reviewing/commenting on the CPAR will enter his or her name, title, phone number, email address, FAX number, and signs and dates the form prior to returning it to the AO.

A2.33 Block 24 RO Comments. The RO must acknowledge consideration of any significant discrepancies between the AO assessment and the contractor's comments. The RO's narrative comments may be up to 16,000 characters (approximately three pages).

A2.34 Block 25 - RO Signature. The RO will enter his or her name, title, organization (AF users do not include a code), phone number in the following format: (XXX) XXX-XXXX, email address, FAX number, and date when completing the CPAR.

Attachment 3 Instructions for Completing a Services, Information Technology, or Operations Support CPAR

A3.1 All business sectors, except Systems, and construction and architect-engineer, will be completed on this form.

A3.2 Block 1 Name/Address of Contractor. State the name and address of the division or subsidiary of the contractor that is performing the contract. Identify the parent corporation (no address required). Identify the CAGE code, DUNS+4 number, Federal Supply Classification (FSC) or Service Code, and North American Industrial Classification

System (NAICS) code. All codes can be accessed by using the on-screen "lookup" function provided in the electronic form.

A3.3 Block 2 Type Report. Indicate whether the CPAR is an initial, intermediate, or final report. If this is an "out-of-cycle" report, select "out-of-cycle." If this is a report to record contractor performance relative to contract closeout or other administrative requirements, select "Addendum."

A3.4 Block 3 Period of Performance Being Assessed. State the period of performance covered by the report (dates must be in MM/DD/YYYY format). The initial period of performance should not cover less than six months of actual performance.

A3.4.1 Period of Performance for Delayed Starts, Protests or Phase-In Periods. In the case of delayed starts or protests, the initial period of performance may cover more than twelve months of time since contract award, but normally no more than twelve months of actual contract performance. Initial periods reporting on performance greater than 12 months (such as for phase-in periods) must be approved by the CPAR Focal Point and coordinated with the contractor. The period of performance should not already include reported efforts except when an out-of-cycle CPAR has been processed.

A3.4.2 Period of Performance for Intermediate/Final Reports. CPAR assessments for intermediate and final reports should cover a 12 month period of performance. Exceptions to this rule for special circumstances, such as a period of performance that ends one month before contract completion or in those instances (up to six months beyond the annual period) where the performance has been extended must be approved by the CPAR Focal Point.

A3.4.3 Period of Performance for Out-of-Cycle Reports. Select "Out-of-Cycle" from the drop-down menu if the AO elects to prepare an out-of-cycle report which will be posted to the CPARS AIS for a time period which overlaps the regularly scheduled performance period if there has been a significant change in the performance which alters the assessment in one or more evaluation area(s) since the last performance period. If the AO chooses to have the Out-of-Cycle report posted in the CPARS AIS (and ultimately the PPIRS), the CPAR will be processed through the regular work flow (Government and contractor review). See Paragraph 4.4 for more information on Out-of-Cycle reports.

A3.5 Block 4a Contract Number. Use the contract number as identified on the contract, except in the case of BOAs, BPAs, GSA schedule and other agency orders. If an order/call is issued under a BOA, BPA, GSA schedule or other agency contract/agreement, the contract number in CPARS should match the master contract number. The order number field should be used to reflect the contract/schedule/agreement number for the order/call.

A3.6 Block 4b Business Sector and Sub-Sector. Service/IT/Operations

A3.7 Block 5 Contracting Office (Organization and Code). Identify the contracting office symbol.

A3.8 Block 6 - Location of Contract Performance. Provide a geographical reference (e.g., nearest city and installation name) if performance is on a military installation.

A3.9 Block 7a Contracting Officer. Self-explanatory.

A3.9.1 **Block 7b Phone Number.** Include the commercial phone number in the following format: (XXX) XXX-XXXX

A3.10 **Block 8a Contract Award Date.** Identify the date of contract award or select the date on the on-screen, drop-down calendar.

A3.10.1 **Block 8b Contract Effective Date.** Identify the date (MM/DD/YYYY) that actual contract performance is set to begin or select the on-screen calendar date only if that date is later than Block 8a, Contract Award Date.

A3.11 **Block 9 Contract Completion Date.** Identify the last possible date of contract performance (e.g., the last calendar day of the last option period) or select the date on the on-screen, drop-down calendar.

A3.12 **Block 10 N/A.** Not applicable.

A3.13 **Block 11 Awarded Value.** Enter the total value of the contract, including unexercised options. For delivery/task/job order contracts where orders will be assessed under a single CPAR, enter the maximum ordering amount under the contract, including options. For delivery/task/job order contracts where orders will be assessed on an individual basis, enter the awarded value of the individual order. For BOAs/BPAs where orders/calls will be assessed individually, enter the awarded value of the individual order.

A3.14 **Block 12 Current Contract Dollar Value.** State the current obligated amount including modifications and options that have been exercised. For incentive contracts, state the target price or total estimated amount. For delivery/task/job order contracts where orders will be assessed under a single CPAR, state the total amount obligated on all delivery orders, including modifications. For delivery/task/job order contracts where orders will be assessed on an individual basis, state the current obligated amount of the individual order, including modifications. For BOAs where orders will be assessed individually, state the current obligated amount of the individual order, including modifications.

A3.15 **Block 13 Basis of Award.** Identify the basis of award by selecting competitive or non-competitive. If the CPAR is for a single order/call, select the basis of award for that order/call.

A3.16 **Block 14 Contract Type.** Identify the contract type. For mixed contract types, select the predominant contract type and identify the other contract type in the "mixed" block.

A3.17 **Block 15 Key Subcontractors and Description of Effort Performed.** Identify subcontractors, including CAGE code and DUNS +4 number, performing either a critical aspect of the contracted effort or more than 25 percent of the dollar value of the effort. If possible, include the amount of subcontract costs of the total contract effort. Discussion of the prime contractor's management of the subcontractor should be included in Block 18d-Business Relations.

A3.18 **Block 16 Program Title and Phase of Acquisition.** Provide a descriptive narrative of the program. Spell out all abbreviations and acronyms. Identify the type of services (for example, professional services, maintenance, installation or information technology services).

A3.19 Block 17 Contract Effort Description. Provide a description of the contract effort that identifies the key requirements and/or type of effort. This section is of critical importance to future source selection officials. The description should be detailed enough so that it can be used in determining the relevance of this program to future source selections. It is important to address the complexity of the contract effort and the overall technical risk associated with accomplishing the effort. Ensure acronyms are identified. For task/delivery order contracts, state the number of orders issued during the period.

A3.20 Small Business Utilization. Answer the following questions:

1. Does this contract include a subcontracting plan?
2. Is small business subcontracting under this contract included in a comprehensive small business subcontracting plan?
3. Is small business subcontracting under this contract included in a commercial small business subcontracting plan?
4. Date of last Individual Subcontracting Report (ISR) /Summary Subcontracting Report (SSR)

A3.21 Block 18 Evaluation Areas. Evaluate each area based on the following criteria:

A3.21.1 Each area assessment must be supported by objective data (or subjective observations) that will be provided in Block 20. Facts to support specific areas of evaluation must be requested from the PM, Contracting Officer and other specialists familiar with the contractor's performance on the contract under review. Such specialists may, for example include the Contracting Officer's Representative (COR) for the program and may also be from engineering, manufacturing, quality, logistics (including provisioning), contracting, maintenance, security, data, etc.

A3.21.2 The amount of risk inherent in the effort should be recognized as a significant factor and taken into account when assessing the contractor's performance. When a contractor identifies significant technical risk and takes action to abate those risks, the effectiveness of these actions should be included in the narrative supporting the Block 18 ratings.

A3.21.3 The CPAR is designed to assess prime contractor performance. In those evaluation areas where subcontractor actions have significantly influenced the prime contractor's performance in a negative or positive way, record the subcontractor actions in Block 20.

A3.21.4 Evaluate all areas which pertain to the contract under evaluation, unless they are not applicable ("N/A").

A3.21.5 When performance has changed from one period to another such that a change in ratings results, the narrative in Block 20 must address each change.

A3.21.6 The AO should use customary industry quantitative measures where they are applicable if the contract is for commercial products.

A3.21.7 Ratings will be in accordance with the definitions in Attachment 2.

A3.21.8. A fundamental principle of assigning ratings is that contractors will not be assessed a rating lower than satisfactory solely for not performing beyond the requirements of the contract.

A3.22 Block 18a Quality of Product or Service. Assess the contractor's conformance to contract requirements, specifications and standards of good workmanship (e.g., commonly accepted technical, professional, environmental, or safety and health standards). List and assess any sub-elements to indicate different efforts where appropriate. Include, as applicable, information on the following:

1. Are the reports data accurate?
2. Does the product or service provided meet the specifications of the contract?
3. Does the contractor's work measure up to commonly accepted technical or professional standards?
4. What degree of FAA technical direction was required to solve problems that arise during performance?

For Operations Support: Assess how successfully the contractor meets program quality objectives such as production, reliability, maintainability and inspection. The AO must be flexible in how contractor success is measured; e.g., using data from field reliability and maintainability and failure reports, user comments and acceptance rates, and scrap and rework rates. These quantitative indicators may be useful later, for example, in source selection evaluations, in demonstrating continuous improvement, quality and reliability leadership that reflects progress in total quality management. Assess the contractor's control of the overall production process to include material control, shop planning and control, and providing status updates.

A3.23 Block 18b Schedule. Assess the timeliness of the contractor against the completion of the contract, task orders, milestones, delivery schedules, and administrative requirements (e.g., efforts that contribute to or affect the schedule variance).

This assessment of the contractor's adherence to the required delivery schedule should include the contractor's efforts during the assessment period that contributes to or affect the schedule variance. This element applies to contract closeout activities as well as contract performance. Instances of adverse actions such as the assessment of liquidated damages or issuance of Cure Notices, Show Cause Notices, and any other notifications to the contractor of serious contract performance issues are indicators of problems which may have resulted in variance to the contract schedule and should, therefore, be noted in the evaluation.

A3.24 Block 18c Cost Control. (Not required for Firm-Fixed Price or Firm-Fixed Price with Economic Price Adjustment). Assess the contractor's effectiveness in forecasting, managing, and controlling contract cost. Include, as applicable, the following information:

1. Does the contractor keep within the total estimated cost (what is the relationship of the negotiated costs and budgeted costs to actuals)?
2. Did the contractor do anything innovative that resulted in cost savings?
3. Were billings current, accurate and complete?
4. Are the contractor's budgetary internal controls adequate?

Assessment information regarding performance under a UCA shall be included in the annual evaluation. If the final negotiated contract type is not a cost-type, cost information for the period the UCA was in effect shall be included under the cost element. The contractor's performance under the UCA shall be separately identified but considered in the overall annual ratings.

A3.25 Block 18d Business Relations. Assess the integration and coordination of all activity needed to execute the contract, specifically the timeliness, completeness and quality of problem identification, corrective action plans, proposal submittals, the contractor's history of reasonable and cooperative behavior (to include timely identification of issues in controversy), customer satisfaction, timely award and management of subcontracts. Include, as applicable, information on the following:

1. Is the contractor oriented toward the customer?
2. Is interaction between the contractor and the government satisfactory or does it need improvement?
3. Include the adequacy of the contractor's accounting, billing, and estimating systems and the contractor's management of Government Property (GFP) if a substantial amount of GFP has been provided to the contractor under the contract.
4. Address the timeliness of awards to subcontractors and management of subcontractors, including subcontract costs. Consider efforts taken to ensure early identification of subcontract problems and the timely application of corporate resources to preclude subcontract problems from impacting overall prime contractor performance.
5. Assess the prime contractor's effort devoted to managing subcontracts and whether subcontractors were an integral part of the contractor's team.

A3.26 Block 18e Management of Key Personnel (For Services and Information Technology Business Sectors only - Not Applicable to Operations Support). Assess the contractor's performance in selecting, retaining, supporting, and replacing, when necessary, key personnel. For example:

1. How well did the contractor match the qualifications of the key position, as described in the contract, with the person who filled the key position?
2. Did the contractor support key personnel so they were able to work effectively?
3. If a key person did not perform well, what action was taken by the contractor to correct this?
4. If a replacement of a key person was necessary, did the replacement meet or exceed the qualifications of the position as described in the contract schedule?

A3.27 Block 18f Utilization of Small Business. FAA AMS T3.6.1 and Clause 3.6.1-4 contain requirements for complying with the Small Business Subcontracting Program. Assess whether the contractor provided maximum practicable opportunity for Small Business (including Alaska Native Corporations (ANCs) and Indian Tribes) (including Small Disadvantaged Businesses (which also includes ANCs and Indian Tribes), Women Owned Small Businesses, Service Disabled Veteran Owned Small Business, Historically Black Colleges and Universities and Minority Educational Institutions and ANCs and Indian Tribes that are not Small Disadvantaged Businesses or Small Businesses) to participate in contract performance consistent with efficient performance of the contract.

A3.27.1 Assess compliance with all terms and conditions in the contract relating to Small Business participation. Assess any small business participation goals which are stated separately in the contract. Assess achievement on each individual goal stated within the contract or subcontracting plan including good faith effort if the goal was not achieved.

A3.27.2 It may be necessary to seek input from the Small Business Office or Contracting Officer in regards to the contractor's compliance with these criteria, especially when a comprehensive plan is submitted.

A3.27.3 For contracts subject to a commercial subcontracting plan, the Utilization of Small Business factor should be rated "satisfactory" as long as an approved plan remains in place, unless liquidated damages have been assessed by the Contracting Officer who approved the commercial plan. In such case, the Utilization of Small Business area must be rated "unsatisfactory".

A3.27.4 This area must be rated for all contracts and task orders that contain a small business subcontracting goal.

A3.27.5 Ratings will be in accordance with definitions described in Attachment 2, "Evaluation Ratings Definitions (Utilization of Small Business)."

A3.27.6 A contract must have no more than one subcontracting plan. Evaluations of the utilization of small business are required for contracts and orders placed against basic ordering agreement (BOA) and blanket purchase agreement (BPA) if a subcontracting plan is required. Evaluations of utilization of small business for single-agency task orders and delivery orders (to include FSS) are not required and shall not be accomplished unless the Contracting Officer determines that such evaluations would produce more useful past performance information for source selection officials than that contained in the overall contract evaluation. Execution of any subcontracting plan may be addressed in block 20.

A3.28 Block 18g Other Areas. Specify additional evaluation areas that are unique to the contract, or that cannot be captured elsewhere on the form. More than one type of entry may be included, but should be separately labeled. If extra space is needed, use Block 20.

A3.28.1 If the contract contains an award fee clause, enter "award fee" in the "Other Areas" Block (18g). The AO should translate the award fee earned to adjectival ratings which could prove more useful for using past performance to assess future performance risk in upcoming source selections. If award fee information is included in the CPAR, use Block 20 to provide a description for each award fee. Include the scope of the award fee by describing the extent to which it covers the total range of contract performance activities, or is restricted to certain elements of the contract.

A3.28.2 If any other type of contract incentive is included in the contract (excluding contract share incentives on fixed price or cost-type contracts), it should be reported in a manner similar to the procedures described above for award fee (by entering "Incentive" in Block 18g).

A3.28.3 Use Block 18g in those instances where an aspect of the contractor's performance does not fit into any of the other blocks on the form.

A3.29 Block 19 N/A. Not applicable.

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A3.30 Block 20 Assessing Official Narrative (see Paragraph 1.4). A factual narrative is required for all assessments regardless of rating. Cross-reference the comments in Block 20 to their corresponding evaluation area in Block 18. Each narrative statement in support of the area assessment must contain objective data. An exceptional cost performance assessment could, for example, cite the current underrun dollar value and estimate at completion. A marginal assessment could, for example, be supported by information concerning personnel changes or schedule delinquency rate. Key personnel familiar with the effort may have been replaced by less experienced personnel. Sources of the data used by the AO for the assessment may include customer/field surveys or evaluation of contractor reports. The Contracting Officer should be contacted to ensure that all applicable data has been incorporated. Block 20 comments may be up to 16,000 characters (approximately three pages) in CPARS.

A3.30.1 The AO must choose the applicable choice to the following statement after Block 20: "Given what I know today about the contractor's ability to execute what he promised in his proposal, I (definitely would not, probably would not, might or might not, probably would or definitely would) award to him today given that I had a choice."

A3.31 Block 21 AO Signature. The AO enters his or her name, title, and organization, phone number (in the following format: (XXX)XXX-XXXX), email address, FAX number, and signs and dates the form prior to making it available to the contractor for review.

A3.32 Block 22 Contractor Comments. Completed at the option of the contractor. The contractor's narrative comments may be up to 16,000 characters (approximately three pages).

A3.33 Block 23 Contractor Representative Signature. The contractor representative reviewing/commenting on the CPAR will enter his or her name, title, phone number, email address, FAX number, and signs and dates the form prior to returning it to the AO.

A3.34 Block 24 RO Comments. The RO must acknowledge consideration of any significant discrepancies between the AO assessment and the contractor's comments. The RO's narrative comments may be up to 16,000 characters (approximately three pages).

A3.35 Block 25 - RO Signature. The RO will enter his or her name, title, organization, phone number in the following format: (XXX)XXX-XXXX, email address, FAX number, and date when completing the CPAR.

Attachment 4 CPARS Website Features

Features of the CPARS website include:

1. The "production" CPAR system for actual entry of the performance evaluation data;
2. The "practice" CPAR system. The practice system is a mirror image of the functionality of the CPAR system using a separate database of simulated CPAR records. The practice system allows users to gain familiarity with the system without actually entering live performance evaluation data;
3. A "requirements" page that describes hardware and software required, security access levels, security features, how to obtain a user account and technical service support, and answers to frequently asked questions.

4. Instructions on Internet Explorer (IE) fixes that may be necessary for FAA access to CPARS;
5. A Quality Checklist that tutors users on completing a quality evaluation;
6. Link to reference material;
7. Link to CPARS Training;
8. Access Request forms;
9. Software Release history; and
10. Metrics (updated quarterly).

SECTIONS EDITED:

Section 3 : Past Performance

Old Content: Procurement Guidance:

T3.2.2 - Source Selection

Source Selection

Section 3 : Past Performance

a. *General.* Past performance can be one indicator of a prospective contractor's future performance. To help ensure that the best performing contractors are providing products and services to the FAA, past performance should be evaluated during source selection whenever appropriate.

b. *Instructions for Using Past Performance in a Screening Information Request (SIR).*

(1) *General Considerations.* Factors chosen for evaluation should be reasonable, logical, coherent, and directly related to requirements in the statement of work (SOW). The key to successful use of past performance in the screening process is a clear relationship between the SOW, instructions to offerors, and evaluation criteria. Past performance information that is not important to the current acquisition should not be included. For instance, there would be no point in considering poor subcontract management if there were no subcontract management needed on the contract. Alternatively, if there were a significant amount of software development, it would be important to know the offeror's record with estimating lines of code, providing software builds on time with few errors, and accomplishing the effort within the estimated cost.

(2) *Responsibility Determination.* When appropriate, the SIR should state past performance would be used to evaluate the responsibility of the contractor, and as an evaluation factor. A contractor with a record of unsatisfactory past performance should be screened out of the selection process as part of the responsibility determination. If a contractor's past performance record passes the responsibility determination, then the past record should be compared to the other responsible offerors to determine the offeror that provides the best value to the Government.

(3) *Past Performance as a Separate Non-Cost/Price Factor.* It is best to include past performance as a stand-alone factor, as opposed to integrating it with other non-cost/price factors. Making it distinct and identifiable will reduce the chances of its impact being

lost within other factors and should make evaluation easier. The relative importance of past performance compared to price or cost and any other evaluation factors is left to the broad discretion of the procurement team (CO, legal counsel, program official and other supporting staff) as is the source and type of past performance information to be included in the evaluation.

(4) *How to Weigh Past Performance.* Past performance should be ranked to ensure it is meaningfully considered. To be meaningful in the screening process (and to ensure offerors are aware that actual contract performance will be a significant factor in future awards), past performance normally should be at least equal in significance to any other non-cost evaluation factor. Generally, if a numeric weighting system is used, past performance should be rated at 25 percent or more. For example, if there were five non-cost evaluation factors including past performance, then any of the following examples of weightings or relative importance would suffice:

- Past performance at 25 percent with the other four factors rated at 18.75 percent each ($75/4=18.75$)
- Past performance at 25 percent, technical excellence at 25 percent, management at 20 percent, the other two factors at 15 percent each
- All five factors rated at 20 percent
- Technical approach rated at 30 percent, past performance rated at 30 percent (to equal the highest rated other non-cost factor), management at 20 percent and the other two factors rated at 10 percent each
- Technical capability and past performance are considered equal in importance followed by test and evaluation, logistics management, and subcontract management in descending order of importance

(5) *Non-Relevant Contract Experience/New Contractors.* ***The SIR should state whether new contractors, or contractors with non-relevant contract experience will be considered, or rated negatively.*** For example, if the offeror has a performance history on non-relevant contracts, i.e., prior Government or commercial performance record, but not specifically on the type of work solicited, this information might be used to demonstrate management potential. New contractors may have key management or technical or scientific personnel proposed for the contract that have some relevant experience. An evaluation of the performance of the proposed key personnel on relevant contracts can be used, as appropriate, as part or all of the past performance evaluation. In addition, teaming relationships and subcontractors can enhance the capability of potential offerors to perform, depending on the relationships that exist within the teaming process.

(6) *Time-frame, Size, Scope, Complexity.* The SIR should ask the contractor for references for ongoing or contracts completed within a specified period of time. A period of three to five years is considered reasonable, depending on the particular circumstances. For small dollar contracts where there are many actions and contractors that provide the products or services, a shorter period may be appropriate. Offerors may attempt to "cherry pick" references to provide selected information on past history. To minimize this, the procurement team should attempt to gather past performance history

from sources other than those provided by the offeror. Such sources might include the Past Performance Information Retrieval System (PPIRS) database for on-going efforts, other agency contracting personnel, and listings of contract awards posted on the FAA Contract Opportunities. All on-going or completed contracts performed during the identified period, or the last "X" contracts performed by the entity within the identified period should be sought. Instructions to offerors should ask only for a list of the previous contracts and contact points and for a description of any quality awards earned by the offeror. It is not necessary to burden the process by asking that the offeror prepare a description of its past performance history in the proposal. The procurement team should request references for contracts that are similar in size, scope and complexity to the statement of work in the SIR. Each of these terms should be defined in the SIR to alert the offeror to the type of data that is required.

(7) *Discriminators/Sub-factors.*

(a) Attention should be paid to what discriminates a "good" performer from a "poor" performer for the type of work that will be performed on the specific acquisition. Past performance sub-factors should be shaped by those discriminators, be limited in number, and should be tailored to the key performance criteria in the SOW. For certain prime contracts, the ability to manage subcontracts, or software development capability may be important discriminators. The following are some other examples of sub-factors that may be used to evaluate past performance: quality, timeliness, cost control, business practices, customer satisfaction, key personnel, and/or quality awards and recognition.

(b) The sub-factors in the SIR should reflect the questions to be used in interviewing references or reviewing any written evaluations provided by the references. For example, sub-factors with corresponding questions under business practices could include:

- *Management Responsiveness* - Is the offeror cooperative, business-like and concerned with the interests of the customer?
- *Contract Change Proposals* - What is the contractor's history on contract change proposals? This includes, changes that lower the overall cost or improve performance - timely and accurate proposals for equitable adjustments - changes that have been withdrawn or dismissed as invalid.

(8) *Relative Importance.* The SIR should state whether all sub-factors are relatively equal, or whether certain sub-factors are more important than others. For example, on a contract where most of the work is done for end users and it is difficult for the contract administration team to observe the contractor's performance in a cost-effective manner, significant weight might be placed on customer (end user) satisfaction ratings from the references.

(9) *Major Subcontractors.* If major subcontractors are likely to perform critical aspects of the contract, the procurement team should evaluate past performance of these subcontractors to determine the overall likelihood of success of the prime contractor. The SIR should state how such information will be evaluated.

(10) *Affiliates, Divisions, etc.* For large organizations with many divisions, consider the past performance of the affiliate, division, etc., that will perform the actual work. In making such decisions, the procurement team must consider the degree of control that a parent organization will exert over the affiliate. If a parent organization has an excellent or poor performance record and the affiliate is going to be closely controlled and managed by the parent, then the procurement team should consider the parent organization's performance record in making the performance evaluation.

(11) *Number of References.* It is important to ask for at least two references for each contract (program/technical and contracts) to assure that all aspects of the offeror's performance will be discussed. The name of the organization providing the report should be released to the offeror; however, the names of individuals should generally not be released without the individual's consent.

(12) *Use of Other Sources.* The instruction to the offerors should include a statement that the Government may use past performance information obtained from other than the sources identified by the offeror, and that the information obtained may be used for both the responsibility determination and the best value decision. For each non-Federal reference, the SIR should include an authorization to release information.

(13) *Inclusion of Survey Form.* The survey form need not be included as an attachment in the SIR. However, if the procurement team elects to release the questionnaire, the SIR should note that the questions to be asked would not be limited to those on the questionnaire.

(14) *Sample SIR Provisions.* Appendix 1 contains examples of SIR provisions and an example client authorization letter. The example is not the only way to include past performance in the SIR. Each SIR must contain instructions and evaluation information that best reflects the individual acquisition.

c. Evaluating Past Performance.

(1) *Applicability.* Past performance is one measurement of an offeror's ability to perform.

(2) *Relation to SIR.* Instances of performance, both good and poor, should be noted and related to the SIR requirements. If problems were identified on a prior contract, the role the sponsor may have played in that result should be taken into account. Evaluations should consider the number and severity of problems, the demonstrated effectiveness of corrective actions taken (not just planned or promised), and the overall work record.

(3) *Disclosure of Negative Information.* If the procurement team receives negative information that will have a significant impact on the likelihood of award to an offeror, then the procurement team should disclose the information and provide an opportunity to respond. This is true even if the SIR states that award may be made on initial offers. The

SIR should include the appropriate provisions notifying the offerors that FAA retains this option.

(4) *Current Versus Older Performance.* The age of the performance being evaluated may be weighted so that performance on older contracts receives less weight than performance on more recent contracts. More weight may be given to those evaluations on prior FAA or Federal contracts as opposed to contracts with state/local governments or private parties or to prior contracts of a similar nature to the SIR.

(5) *Method of Scoring.* The final past performance rating may be reflected by a color, a number, adjectival, or a combination of these methods, depending upon what system is being used overall to indicate the relative ranking of the offerors. A past performance rating is not a precise mechanical or scientific process and must include sound business judgment. Therefore, the documentation of the final rating should include a logical description of the underlying reasons for the conclusions reached.

(6) *Evaluating Disputed/Negative Information.* When the procurement team receives negative information, or information that is disputed, they should carefully consider the offeror's response and determine what weight to apply, based on the facts obtained from the questionnaire, interview, or other sources. The file should be documented to explain why the procurement team assigned a particular rating. This is especially important in situations involving unresolved disputes.

d. *Obtaining Information on an Offeror's Past Performance.*

(1) *Applicability.* There are various methods of obtaining information on a contractor's past performance.

(2) *Reference Checks.* The most commonly used method of obtaining past performance is to conduct reference checks from a variety of sources, including previous FAA program and contracting personnel, other Federal agencies, state and local governments, and commercial contractors.

(3) *Other Sources.* Dun & Bradstreet can obtain information on past performance on specific contractors for the FAA (Dun & Bradstreet charges for this information). In lieu of FAA paying for the report, the SIR may require offerors to provide a copy of a recent past performance report prepared by Dun & Bradstreet. In this case, the offerors would see the report and have an opportunity to resolve any disputed data before the report is submitted to FAA. Using this process could save time and money, but should not be relied on as the only source of data. Quality certifications and awards can also serve as a useful source of past performance information.

(4) *Timetable.* The process of collecting information should begin as soon as the proposal evaluation begins. Collecting information can be time consuming. Researchers must locate and question sources of information, either in person, by telephone or in writing. Obtaining this information as early as possible in the evaluation process gives

the procurement team invaluable information in determining the viability of the individual offerors. If the information shows a history of poor performance, the procurement team can eliminate the proposal from the competition as non-responsible. It may be best to establish a team devoted entirely to this task during the screening, especially if FAA anticipates receiving a large number of proposals.

(5) *Questionnaire or Survey Form.* The first step in obtaining information from sources is to develop a questionnaire, or survey form, that reflects the evaluation rating system that will be used to assess the offerors strengths and weaknesses for the contract being considered. Questions should be worded so that interviewees understand precisely what they are being asked to describe. To maintain accurate records and facilitate verification, the questionnaire (survey) record form should include: Interviewer's name, company name, reference's name (to be held in confidence), full mailing address and telephone number, date and time of the call, and description of the contract effort discussed. Examples of questionnaires suitable for a contract requiring system development and production are provided in Appendix 4. A sample Business Management Past Performance Questionnaire is included in Appendix 3A.

(6) *Information Collection.* Once the questionnaire is prepared, the procurement team should contact references. For all interviews, the questions should be stated to the interviewees exactly as on the questionnaire. There are various ways to collect the information: Face-to-face interviews, mailing the questionnaires, telephone interviews, electronic mail (ensuring security measures are taken), or some combination of these.

(7) *Number of references.* At least two references should be contacted on each previous contract effort. This should be specified in the instruction to offerors. Additional references may often be identified during the interviews. It is also important to survey reasonably large numbers of references in order to look for patterns in their description of performance - individual ratings may be personal and biased. Numerous ratings can show patterns and are therefore much more likely to be a valid indicator.

(8) *Setting Up Interviews.* Being well organized and efficient is important when conducting the interview so as not to waste the interviewee's time. It is helpful to call the reference to make an appointment to conduct an interview, rather than telephoning the references unannounced, thereby catching them unprepared or with little time to respond. If possible, the questionnaire should be mailed or faxed to the reference in advance of the appointment. Interviewers should take copious notes on the questionnaire to ensure that all information is captured. Tape recording is a good means for capturing all of the conversation, however, tape recording the conversation may cause the interviewee discomfort and reduce the amount of information provided. If tape recording is used during the interview, ensure the interviewee is aware of and agrees to the use of recording devices.

(9) *Conducting Interviews.* Evaluators should look for patterns of either favorable or unfavorable overall performance, rather than focusing on individual successes or failures. It is important to look for actions that demonstrate high performance and not

just unfavorable performance. This will help to get away from the old responsibility determination mode of just looking at performance problems. There appears to be a tendency for references to give an upward bias to ratings. The interviewer should ask enough questions to discriminate between "good" and "excellent." Evaluators should request any existing documentation in support of excellent or negative findings (i.e., correspondence, modifications, determinations, etc.). Investigating negative findings in-depth prior to presenting them to offerors, in discussions if held, will alleviate unnecessary delays. Prior to concluding the interview, the evaluator should ask the reference for a summary opinion, e.g., how would the interviewee rate the contractor's overall performance and would the interviewee like to do business with the contractor again?

(10) *Concluding Telephone and Face-to-Face Interviews.* Immediately following a telephone or face-to-face interview, the interviewer should prepare a narrative summary of the conversation (this can be the questionnaire as filled in by the interviewer) and send it to the reference for verification, preferably by certified mail return-receipt requested, fax, or electronic mail. The narrative should state explicitly that if the reference does not object to its content within the time specified, it would be accepted as correct. If the reference indicates that the narrative is incorrect, then a corrected narrative should be sent for verification. If a reference will not agree to the record and satisfactory corrections cannot be agreed upon, the record cannot be relied upon and should not be included in the offeror's rating. Another source may provide the same information, however.

(11) *Mailing Questionnaires.* If mailing questionnaires is the chosen method for collecting past performance information, mail the questionnaires to the references, provide a time-frame for return of responses, and wait for the responses. If mailed questionnaires are not received in a timely manner, follow-up telephone interviews are suggested (following guidance above if telephone interview occurs).

e. *Past Performance Database.*

(1) *Past Performance Information Retrieval System (PPIRS).* The Past Performance Information Retrieval System (PPIRS) is the single, Government-wide repository for contractor performance information, and contains performance information on current and previous Federal contractors. The procurement team uses PPIRS evaluations to screen offerors and assess the probability of success based on an offeror's past record as a contractor. Upon request, FAA may also supply past performance evaluation information to personnel of other Government agencies evaluating offerors who have performed on FAA contracts (see "Release of Information" subsection below). Headquarters Procurement Information and Services Team (AJA-A12) is FAA's liaison to PPIRS.

(2) *Thresholds.* The CO, in consultation with the cognizant program office and/or COTR, must complete PPIRS evaluations for all nonconstruction procurements over \$500,000 (including GSA schedule orders and orders placed under any other contract awarded by another Government agency) and all construction procurements over

\$1,000,000. Excluded from PPIRS evaluations is any procurement awarded under the Javits-Wagner-O'Day Act (JWOD).

(3) *Evaluation Report Forms.* The National Institute of Health's (NIH) Contractor Performance System (CPS) is the "feeder" system for transmitting evaluations to PPIRS. Because the CPS is the "feeder" system for PPIRS, the evaluation forms on the CPS web site at <http://cps.od.nih.gov/> must be used for all PPIRS evaluations. The three types of evaluation forms are: Standard Evaluation Form, A&E Evaluation Form, and Construction Evaluation Form.

(4) *Creation and Disposition of Records.* PPIRS evaluations must be prepared at the completion of contract performance and annually by the anniversary date of contract award, and, if appropriate, after a significant event on a contract or a change in program management or CO. The procurement team should generally prepare the evaluation. The evaluations should be shared with the contractor and the contractor permitted to provide written comments. Procurement teams should review and resolve contractor's comments, if requested, by the contractor. Copies of the evaluation, the contractor's response, and review comments, if any, must be marked as "source selection information" and retained in the contract file. A summary of evaluation information must be entered into the PPIRS for future reference. As use of the PPIRS becomes common throughout FAA, SIRs will need only ask offerors to provide, in the proposal, a list of past contracts they have performed that were similar to the potential contract. The need for a section in the proposal on the offeror's past performance may not be necessary. Evaluation files from PPIRS Government references will provide much, if not all, of the information necessary to evaluate the offeror on past performance. The need for procurement team to conduct extensive interviews with the contract administrators, or conduct other investigations to verify a offeror's past performance should be greatly reduced. Because the contractor will have been offered the opportunity to comment on the ratings as they were prepared, further comment in the proposal or during discussions, if held, will usually not be necessary.

f. *Completion of the Performance Evaluation.*

(1) *Responsibility.* The development of the performance evaluation is the responsibility of the procurement team. Where the contract provides products or services to end users (persons outside the requiring technical organization), the CO and/or COTR are responsible for conducting surveys of these customers and including a summary of the end user ratings in the performance evaluation. This is referred to as the Report Card System on past performance.

(2) *When to Perform Surveys.* End user surveys would apply to computer services contracts, major systems maintenance contracts where work is done in the field, routine services contracts such as janitorial or food service, as well as contracts where products are delivered directly to various sites or where performance cannot be measured until the product is used. Evaluations are required at the time the work under the contract is completed, or work is terminated for convenience or default, or when a decision is made

by the procurement team not to extend the terms of the contract based upon performance issues. Performance evaluations should be conducted during the contract period of performance in order to provide useful feedback to contractors on their performance and to provide them the opportunity to correct problems before contract completion. The contract file should reflect efforts on the part of the government to provide the contractor with the results of these evaluations. An honest discussion of any contractor problem areas is important to the Government which is seeking quality service and equally, if not more so, to the contractor.

g. *Rating Areas.*

(1) This section provides general guidance on the basic indicators of past performance indicated in the CPS Evaluation Forms used to enter contractor performance information into PPIRS, but other factors such as management of subcontractors or software development capability may be important discriminators for certain contracts where appropriate consistent with the applicable Evaluation Form.

(2) *Quality, Timeliness, and Cost Control.* Three of the areas, quality, timeliness and cost control, can be rated objectively by members of the procurement team. The ratings should reflect how well the contractor complied with the specific contract performance standards for each area. How well the contractor holds up its end of the bargain can, and should, be an essential consideration for future business consideration. The comments should be concise, but provide answers to questions about the performance that would be asked by an evaluator. Here are a few examples:

- The contractor-provided software met all contract performance requirements for ease of use and output. The financial system package actually exceeded expectations in its speed and accuracy.
- The contractor met all contract milestones for development and field installation of the systems. Some internal contractor management milestones were missed, but timely identification of problems and corrective actions kept the program on schedule.
- The contractor's cost management was excellent and resulted in a 2 percent under-run from target cost.

(3) *Business Practices/Relations.* Business practices/relations should be evaluated to measure the contractor's customer relations efforts as well as how well the contractor worked with the CO and technical representative(s). It is important to note that when dealing with FAA, there is more than one customer. Accordingly, this rating area evaluates the business practices between the contractor and the contract administration team. This rating should be developed by the procurement team. Questions to ask might be as follows:

- How cooperative was the contractor in working with the government to solve problems?
- Were contractor-recommended solutions effective?

- Was the contractor responsive to the administrative issues of the contract?
- Did the contractor exhibit a propensity to submit unnecessary contract change proposals with cost or price increases?

(4) *Customer Satisfaction.* Customer satisfaction measures the interface with the ultimate end user of the product or service, e.g., the personal computer user who needs assistance under a computer services contract, or the person who uses a supply item to complete their work. A contract cannot be considered a success unless the end user is satisfied. After all, support of the end user is the reason for every contract. Accordingly, effort should be made to ascertain whether each customer was satisfied, for satisfaction by one does not necessarily mean satisfaction by all. The best way to measure contractor performance at the end-user level is the customer satisfaction survey. The quality assurance plan prepared to administer a contract should contain the procedures for receiving customer feedback on contractor performance. This can be done through telephone calls by the COTR, use of written survey forms; complaint boxes in strategic locations, or other means of measuring end user satisfaction. If it is not cost effective to survey all end users, then a random sample should be selected for the survey. If the procurement team does not have resources, they may be conducted through contracted services. End-users may be unfamiliar with the contract requirements and may hold contractors to an unrealistic standard. The CO should evaluate the end users comments to determine if the contractor reasonably tried to meet their demands within the contract requirements. If the contractor met or exceeded contract requirements in an attempt to please the end users, this should be noted on the evaluation form, even if the end users were not totally satisfied with the service. In this case, it may well be that the service for which FAA has contracted is not the service desired or needed by the customer. An evaluation of the contract requirements should be undertaken with input from the end users. However, procurement teams are reminded that FAA does not have any right to require, explicitly or implicitly, or expect benefits not agreed to in the contract. It does mean, however, that "service with a smile" is more than a slogan. A proven rating system for end user satisfaction measures the percentage of end users that rate the product or service satisfactory or better. It should be recognized that no product or service could satisfy everyone. Therefore, an excellent rating may be 95 percent of end users were satisfied with the service.

(5) *Key Personnel.* Identifying how long key personnel stayed on the contract and how well they managed their portion of the contract can be of great benefit to source selection officials. This information is critical when a newly formed company is competing on a contract and its past performance history is based on the past performance of the key personnel. Key personnel past performance looks at the track record of the principal individuals selected to manage and perform other key aspects of the work on the contract. When firms in the commercial world make decisions about which contractor, consultant, or firm to deal with, they place heavy emphasis on (1) the past performance of the company as a whole, and (2) how well the firm's employees have performed. Often, a company will choose to work with the same contractor based solely on the past performance of its employees. Similarly, the past performance of the key management personnel to be assigned to a contract should be looked at, as an indicator of how well the

contract will be performed. For new companies entering the marketplace, without relevant company experience, it will be the quality of the past performance of their key management personnel that will indicate the risk of good performance and become the basis of the past performance evaluation.

(6) *Quality Awards and Certifications.* The private sector is increasingly establishing partnerships with suppliers and customers to ensure continuous improvement in the quality of the end products and services. High quality suppliers may be recognized by different awards and certifications, such as the Deming Quality Award, Baldrige Award, President's Quality Award, agency-specific awards, or International Standards Organization (ISO) certification. In seeking past performance information, procurement teams may ask offerors about any quality certifications or awards. How quality certifications are evaluated is at the discretion of the procurement team, consistent with the applicable Evaluation Form.

(7) *Subcontracting Goals.* For contracts including a Small, Small Disadvantaged, Women-owned, and Service-Disabled Veteran Owned Subcontracting Plan, the contractor's achievement of Plan goals will be considered as part of performance evaluations.

h. *Contractor Response and Review.*

(1) While the ultimate conclusion on the performance evaluation is a decision of the procurement team, the contractor should be permitted to comment on the evaluation. Upon completion of any evaluation by the procurement team and submission to the PPIRS, registered contractors will receive an electronic notice. Contractors must be PPIRS-registered prior to receiving electronic evaluations. The contractor should be given a reasonable time to respond to the report. The required turnaround time for contractor response may not be less than 30 days. If the contractor fails to provide a response by the established deadline, the procurement team's comments can stand alone.

(2) If the contractor submits a rebuttal statement for any or all of the ratings and the contractor and CO cannot reach an agreement on the ratings, then the disagreement should be resolved by the entire procurement team. The procurement team's decision resulting from the review must be in writing and done in a timely manner. The contractor's statement and procurement team's review must be attached to the performance evaluation report and must be provided to other parties requesting a reference check.

(3) The completed evaluations are to be filed in the contract file and the PPIRS. The evaluations will be retained in the PPIRS for not more than three years after completion of contract performance. Evaluations for construction and architect-engineer contracts will be retained in the PPIRS not more than six years past the date of the evaluation.

(4) When another agency asks for a reference, the responsible CO should provide all evaluations, extracted from the database, for the period desired by the requesting organization.

i. *Release of Information.* The FAA and other agencies should use contractor evaluations to support future award decisions. Solicitations for requirements expected to result in an FAA past performance evaluation should require the contractor to identify the FAA resultant contract on any Government contract solicitation that requests past performance information, that is issued during performance or up to three years after performance, and is for similar items/services. The completed evaluation must be released to other FAA evaluators, other Government personnel authorized to receive such reports, and the contractor whose performance is being evaluated only. Improper disclosure of such information could harm both the commercial interest of FAA and the competitive position of the contractor being evaluated, as well as impede the efficiency of FAA operations.

New Content: Procurement Guidance:

T3.2.2 - Source Selection

Source Selection

Section 3 : Past Performance

a. *General.* Past performance can be one indicator of a prospective contractor's future performance. To help ensure that the best performing contractors are providing products and services to the FAA, past performance should be evaluated during source selection whenever appropriate.

b. *Instructions for Using Past Performance in a Screening Information Request (SIR).*

(1) *General Considerations.* Factors chosen for evaluation should be reasonable, logical, coherent, and directly related to requirements in the statement of work (SOW). The key to successful use of past performance in the screening process is a clear relationship between the SOW, instructions to offerors, and evaluation criteria. Past performance information that is not important to the current acquisition should not be included. For instance, there would be no point in considering poor subcontract management if there were no subcontract management needed on the contract. Alternatively, if there were a significant amount of software development, it would be important to know the offeror's record with estimating lines of code, providing software builds on time with few errors, and accomplishing the effort within the estimated cost.

(2) *Responsibility Determination.* When appropriate, the SIR should state past performance will be used to evaluate the responsibility of the contractor and as an evaluation factor. A contractor with a record of unsatisfactory past performance should be screened out of the selection process as part of the responsibility determination. If a contractor's past performance record passes the responsibility determination, then the past record should be compared to the other responsible offerors to determine the offeror that provides the best value to the Government.

(3) *Past Performance as a Separate Non-Cost/Price Factor.* It is best to include past performance as a stand-alone factor, as opposed to integrating it with other non-cost/price factors. Making it distinct and identifiable will reduce the chances of its impact being lost within other factors and should make evaluation easier. The relative importance of past performance compared to price or cost and any other evaluation factors is left to the broad discretion of the procurement team (CO, legal counsel, program official and other supporting staff) as is the source and type of past performance information to be included in the evaluation.

(4) *How to Weigh Past Performance.* Past performance should be ranked to ensure it is meaningfully considered. To be meaningful in the screening process (and to ensure offerors are aware that actual contract performance will be a significant factor in future awards), past performance may be at least equal in significance to any other non-cost evaluation factor. If a numeric weighting system is used, past performance may be rated at 25 percent or more. For example, if there were five non-cost evaluation factors including past performance, then any of the following examples of weightings or relative importance would suffice:

- Past performance at 25 percent with the other four factors rated at 18.75 percent each ($75/4=18.75$)
- Past performance at 25 percent, technical excellence at 25 percent, management at 20 percent, the other two factors at 15 percent each
- All five factors rated at 20 percent
- Technical approach rated at 30 percent, past performance rated at 30 percent (to equal the highest rated other non-cost factor), management at 20 percent and the other two factors rated at 10 percent each
- Technical capability and past performance are considered equal in importance followed by test and evaluation, logistics management, and subcontract management in descending order of importance

(5) *Non-Relevant Contract Experience/New Contractors.* ***The SIR should state whether new contractors, or contractors with non-relevant contract experience will be considered, or rated negatively.*** For example, if the offeror has a performance history on non-relevant contracts, i.e., prior Government or commercial performance record, but not specifically on the type of work solicited, this information might be used to demonstrate management potential. New contractors may have key management or technical or scientific personnel proposed for the contract that have some relevant experience. An evaluation of the performance of the proposed key personnel on relevant contracts can be used, as appropriate, as part or all of the past performance evaluation. In addition, teaming relationships and subcontractors can enhance the capability of potential offerors to perform, depending on the relationships that exist within the teaming process.

(6) *Time-frame, Size, Scope, Complexity.* The SIR should ask the contractor for references for ongoing or contracts completed within a specified period of time. A period of three to five years is considered reasonable, depending on the particular circumstances. For small dollar contracts where there are many actions and contractors

that provide the products or services, a shorter period may be appropriate. Offerors may attempt to "cherry pick" references to provide selected information on past history. To minimize this, the procurement team should attempt to gather past performance history from sources other than those provided by the offeror. Such sources might include the Past Performance Information Retrieval System (PPIRS) database for on-going efforts, other agency contracting personnel, and listings of contract awards posted on the FAA Contract Opportunities. All on-going or completed contracts performed during the identified period, or the last "X" contracts performed by the entity within the identified period should be sought. Instructions to offerors should ask only for a list of the previous contracts and contact points and for a description of any quality awards earned by the offeror. It is not necessary to burden the process by asking that the offeror prepare a description of its past performance history in the proposal. The procurement team should request references for contracts that are similar in size, scope and complexity to the statement of work in the SIR. Each of these terms should be defined in the SIR to alert the offeror to the type of data that is required.

(7) *Discriminators/Sub-factors.*

(a) Attention should be paid to what discriminates a "good" performer from a "poor" performer for the type of work that will be performed on the specific acquisition. Past performance sub-factors should be shaped by those discriminators, be limited in number, and should be tailored to the key performance criteria in the SOW. For certain prime contracts, the ability to manage subcontracts, or software development capability may be important discriminators. The following are some other examples of sub-factors that may be used to evaluate past performance: quality, timeliness, cost control, business practices, customer satisfaction, key personnel, and/or quality awards and recognition.

(b) The sub-factors in the SIR should reflect the questions to be used in interviewing references or reviewing any written evaluations provided by the references. For example, sub-factors with corresponding questions under business practices could include:

- *Management Responsiveness* - Is the offeror cooperative, business-like and concerned with the interests of the customer?
- *Contract Change Proposals* - What is the contractor's history on contract change proposals? This includes, changes that lower the overall cost or improve performance - timely and accurate proposals for equitable adjustments - changes that have been withdrawn or dismissed as invalid.

(8) *Relative Importance.* The SIR should state whether all sub-factors are relatively equal, or whether certain sub-factors are more important than others. For example, on a contract where most of the work is done for end users and it is difficult for the contract administration team to observe the contractor's performance in a cost-effective manner,

significant weight might be placed on customer (end user) satisfaction ratings from the references.

(9) *Major Subcontractors.* If major subcontractors are likely to perform critical aspects of the contract, the procurement team should evaluate past performance of these subcontractors to determine the overall likelihood of success of the prime contractor. The SIR should state how such information will be evaluated.

(10) *Affiliates, Divisions, etc.* For large organizations with many divisions, consider the past performance of the affiliate, division, etc., that will perform the actual work. In making such decisions, the procurement team must consider the degree of control that a parent organization will exert over the affiliate. If a parent organization has an excellent or poor performance record and the affiliate is going to be closely controlled and managed by the parent, then the procurement team should consider the parent organization's performance record in making the performance evaluation.

(11) *Number of References.* It is important to ask for at least two references for each contract (program/technical and contracts) to assure that all aspects of the offeror's performance will be discussed. The name of the organization providing the report should be released to the offeror; however, the names of individuals should generally not be released without the individual's consent.

(12) *Use of Other Sources.* The instruction to the offerors should include a statement that the Government may use past performance information obtained from other than the sources identified by the offeror, and that the information obtained may be used for both the responsibility determination and the best value decision. For each non-Federal reference, the SIR should include an authorization to release information.

(13) *Inclusion of Survey Form.* The survey form need not be included as an attachment in the SIR. However, if the procurement team elects to release the questionnaire, the SIR should note that the questions to be asked would not be limited to those on the questionnaire.

(14) *Sample SIR Provisions.* Appendix 2 to this Guidance contains examples of SIR provisions and an example client authorization letter. The example is not the only way to include past performance in the SIR. Each SIR must contain instructions and evaluation information that best reflects the individual acquisition.

c. Evaluating Past Performance.

(1) *Applicability.* Past performance is one measurement of an offeror's ability to perform.

(2) *Relation to SIR.* Instances of performance, both good and poor, should be noted and related to the SIR requirements. If problems were identified on a prior contract, the role the sponsor may have played in that result should be taken into account. Evaluations

should consider the number and severity of problems, the demonstrated effectiveness of corrective actions taken (not just planned or promised), and the overall work record.

(3) *Disclosure of Negative Information.* If the procurement team receives negative information that will have a significant impact on the likelihood of award to an offeror, then the procurement team should disclose the information and provide an opportunity to respond. This is true even if the SIR states that award may be made on initial offers. The SIR should include the appropriate provisions notifying the offerors that FAA retains this option.

(4) *Current Versus Older Performance.* The age of the performance being evaluated may be weighted so that performance on older contracts receives less weight than performance on more recent contracts. More weight may be given to those evaluations on prior FAA or Federal contracts as opposed to contracts with state/local governments or private parties or to prior contracts of a similar nature to the SIR.

(5) *Method of Scoring.* The final past performance rating may be reflected by a color, a number, adjectival, or a combination of these methods, depending upon what system is being used overall to indicate the relative ranking of the offerors. A past performance rating is not a precise mechanical or scientific process and must include sound business judgment. Therefore, the documentation of the final rating should include a logical description of the underlying reasons for the conclusions reached.

(6) *Evaluating Disputed/Negative Information.* When the procurement team receives negative information, or information that is disputed, they should carefully consider the offeror's response and determine what weight to apply, based on the facts obtained from the questionnaire, interview, or other sources. The file must be documented to explain why the procurement team assigned a particular rating. This is especially important in situations involving unresolved disputes.

d. *Obtaining Information on an Offeror's Past Performance.*

(1) *Applicability.* There are various methods of obtaining information on a contractor's past performance.

(2) *Reference Checks.* The most commonly used method of obtaining past performance is to conduct reference checks from a variety of sources, including previous FAA program and contracting personnel, other Federal agencies, state and local governments, and commercial contractors.

(3) *Other Sources.* Dun & Bradstreet can obtain information on past performance on specific contractors for the FAA (Dun & Bradstreet charges for this information). In lieu of FAA paying for the report, the SIR may require offerors to provide a copy of a recent past performance report prepared by Dun & Bradstreet. In this case, the offerors would see the report and have an opportunity to resolve any disputed data before the report is submitted to FAA. Using this process could save time and money, but should not be

relied on as the only source of data. Quality certifications and awards can also serve as a useful source of past performance information.

(4) *Timetable.* The process of collecting information should begin as soon as the proposal evaluation begins. Collecting information can be time consuming. Researchers must locate and question sources of information, either in person, by telephone or in writing. Obtaining this information as early as possible in the evaluation process gives the procurement team invaluable information in determining the viability of the individual offerors. If the information shows a history of poor performance, the procurement team can eliminate the proposal from the competition as non-responsible. It may be best to establish a team devoted entirely to this task during the screening, especially if FAA anticipates receiving a large number of proposals.

(5) *Questionnaire or Survey Form.* The first step in obtaining information from sources is to develop a questionnaire, or survey form, that reflects the evaluation rating system that will be used to assess the offerors strengths and weaknesses for the contract being considered. Questions should be worded so that interviewees understand precisely what they are being asked to describe. To maintain accurate records and facilitate verification, the questionnaire (survey) record form should include: Interviewer's name, company name, reference's name (to be held in confidence), full mailing address and telephone number, date and time of the call, and description of the contract effort discussed. An example of a questionnaire is found in Appendix 2.4 Sample 3B.

(6) *Information Collection.* Once the questionnaire is prepared, the procurement team should contact references. For all interviews, the questions should be stated to the interviewees exactly as on the questionnaire. There are various ways to collect the information: Face-to-face interviews, mailing the questionnaires, telephone interviews, electronic mail (ensuring security measures are taken), or some combination of these.

(7) *Number of References.* At least two references should be contacted on each previous contract effort. This should be specified in the instruction to offerors. Additional references may often be identified during the interviews. It is also important to survey reasonably large numbers of references in order to look for patterns in their description of performance - individual ratings may be personal and biased. Numerous ratings can show patterns and are therefore much more likely to be a valid indicator.

(8) *Setting Up Interviews.* Being well organized and efficient is important when conducting the interview so as not to waste the interviewee's time. It is helpful to call the reference to make an appointment to conduct an interview, rather than telephoning the references unannounced, thereby catching them unprepared or with little time to respond. If possible, the questionnaire should be mailed or faxed to the reference in advance of the appointment. Interviewers should take copious notes on the questionnaire to ensure that all information is captured. Tape recording is a good means for capturing all of the conversation, however, tape recording the conversation may cause the interviewee discomfort and reduce the amount of information provided. If tape recording

is used during the interview, ensure the interviewee is aware of and agrees to the use of recording devices.

(9) *Conducting Interviews.* Evaluators should look for patterns of either favorable or unfavorable overall performance, rather than focusing on individual successes or failures. It is important to look for actions that demonstrate high performance and not just unfavorable performance. This will help to get away from the old responsibility determination mode of just looking at performance problems. There appears to be a tendency for references to give an upward bias to ratings. The interviewer should ask enough questions to discriminate between "good" and "excellent." Evaluators should request any existing documentation in support of excellent or negative findings (i.e., correspondence, modifications, determinations, etc.). Investigating negative findings in-depth prior to presenting them to offerors, in discussions if held, will alleviate unnecessary delays. Prior to concluding the interview, the evaluator should ask the reference for a summary opinion, e.g., how would the interviewee rate the contractor's overall performance and would the interviewee like to do business with the contractor again?

(10) *Concluding Telephone and Face-to-Face Interviews.* Immediately following a telephone or face-to-face interview, the interviewer should prepare a narrative summary of the conversation (this can be the questionnaire as filled in by the interviewer) and send it to the reference for verification, preferably by certified mail return-receipt requested, fax, or electronic mail. The narrative should state explicitly that if the reference does not object to its content within the time specified, it would be accepted as correct. If the reference indicates that the narrative is incorrect, then a corrected narrative should be sent for verification. If a reference will not agree to the record and satisfactory corrections cannot be agreed upon, the record cannot be relied upon and should not be included in the offeror's rating. Another source may provide the same information, however.

(11) *Mailing Questionnaires.* If mailing questionnaires is the chosen method for collecting past performance information, mail the questionnaires to the references, provide a time-frame for return of responses, and wait for the responses. If mailed questionnaires are not received in a timely manner, follow-up telephone interviews are suggested (following guidance above if telephone interview occurs).

e. *Past Performance Database.*

(1) *Past Performance Information Retrieval System (PPIRS).* The Past Performance Information Retrieval System (PPIRS) is the single, Government-wide repository for contractor performance information, and contains performance information on current and previous Federal contractors. The procurement team may use PPIRS evaluations to screen offerors and assess the probability of success based on an offeror's past record as a contractor. Upon request, FAA may also supply past performance evaluation information to personnel of other Government agencies evaluating offerors who have performed on FAA contracts (see "Release of Information" subsection

below). Headquarters Procurement Information and Services Team (AJA-A12) is FAA's liaison to PPIRS.

(2) The procurement team is strongly encouraged to use PPIRS to record performance data on FAA contracts. Examples of FAA acquisitions for which PPIRS may be appropriate are the following (individually or in combination):

- (a) Technically complex,
- (b) High dollar value, and/or
- (c) More than one year in duration.

PPIRS evaluations may also be done on Federal Supply Schedule Orders and orders placed under any other contract awarded by another Government agency. Excluded from PPIRS evaluations is any procurement awarded under the Javits-Wagner-O'Day Act (JWOD).

(3) *Evaluation System.* The Department of Defense's (DoD) Contractor Performance Assessment Reporting System (CPARS) is the sole "feeder" system for transmitting evaluations to PPIRS. Because the CPARS is the "feeder" system for PPIRS, the evaluation processes indicated on the CPARS web site at <http://www.cpars.csd.disa.mil> must be used for all PPIRS evaluations. The three modules of CPARS are as follows:

- (a) Construction Contractor Appraisal Support System (CCASS) module - assesses performance on construction contracts:
- (b) Architect-Engineer Contract Administration Support System (ACASS) module - assesses performance on architect-engineer contracts; and
- (c) CPARS module - assesses performance for all other types of contracts.

(4) *Creation and Disposition of Records.* FAA CPARS Focal Points are responsible for the registration of all newly awarded contracts for which CPARS will be used. For such contracts, PPIRS evaluations must be prepared in CPARS at the completion of contract performance and annually by the anniversary date of contract award, and, if appropriate, after a significant event on a contract or a change in program management or CO. An initial report is required if the period of performance is less than one year. The evaluation report process, various roles of the FAA and the contractor, and rating areas are detailed in Appendix 3 to this Guidance, AMS Clause 3.10.1-26 "Contractor Performance Assessment Reporting System, and under the CPARS web site. Copies of the evaluation, the contractor's response, and review comments, if any, must be marked and treated as "source selection information" and retained in the contract file. As use of the PPIRS becomes common throughout FAA, SIRs will need only ask offerors to provide, in the proposal, a list of past contracts they have performed that were similar to

the potential contract. The need for a section in the proposal on the offeror's past performance may not be necessary. Evaluation files from PPIRS Government references will provide much, if not all, of the information necessary to evaluate the offeror on past performance. The need for procurement team to conduct extensive interviews with the contract administrators, or conduct other investigations to verify a offeror's past performance should be greatly reduced. Because the contractor will have been offered the opportunity to comment on the ratings as they were prepared, further comment in the proposal or during discussions, if held, will usually not be necessary.

(5) In addition to automatic transmittal to PPIRS, the completed evaluations must also be filed in the contract file. The evaluations will be retained in the PPIRS for not more than three years after completion of contract performance. Evaluations for construction and architect-engineer contracts will be retained in the PPIRS not more than 6 years past the date of the evaluation.

(6) When another agency asks for a reference, the responsible CO should provide all evaluations, extracted from PPIRS, for the period desired by the requesting organization. If the applicable contract is not in PPIRS, an evaluation should be done for the file as requested.

(7) *Effective Date.* The effective date for this CPARS requirement is October 1, 2011. Prior to then, performance data may be entered into CPARS for new contracts if the CO determines that there is a basis for using CPARS, and Clause 3.10.1-26 is in the contract. CPARS may similarly be used on existing contracts if the contract is bilaterally modified to add Clause 3.10.1-26.

f. *Release of Information.* The FAA and other agencies should use contractor evaluations to support future award decisions. Solicitations for requirements expected to result in an FAA past performance evaluation should require the contractor to identify the FAA resultant contract on any Government contract solicitation that requests past performance information, that is issued during performance or up to three years after performance, and is for similar items/services. The completed evaluation must be released to other FAA evaluators, other Government personnel authorized to receive such reports, and the contractor whose performance is being evaluated only. Improper disclosure of such information could harm both the commercial interest of FAA and the competitive position of the contractor being evaluated, as well as impede the efficiency of FAA operations.

Red Line Content: Procurement Guidance:

T3.2.2 - Source Selection

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b. *Instructions for Using Past Performance in a Screening Information Request (SIR).*

(1) *General Considerations.* Factors chosen for evaluation should be reasonable, logical, coherent, and directly related to requirements in the statement of work (SOW). The key to successful use of past performance in the screening process is a clear relationship between the SOW, instructions to offerors, and evaluation criteria. Past performance information that is not important to the current acquisition should not be included. For instance, there would be no point in considering poor subcontract management if there were no subcontract management needed on the contract. Alternatively, if there were a significant amount of software development, it would be important to know the offeror's record with estimating lines of code, providing software builds on time with few errors, and accomplishing the effort within the estimated cost.

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(3) *Past Performance as a Separate Non-Cost/Price Factor.* It is best to include past performance as a stand-alone factor, as opposed to integrating it with other non-cost/price factors. Making it distinct and identifiable will reduce the chances of its impact being lost within other factors and should make evaluation easier. The relative importance of past performance compared to price or cost and any other evaluation factors is left to the broad discretion of the procurement team (CO, legal counsel, program official and other supporting staff) as is the source and type of past performance information to be included in the evaluation.

(4) *How to Weigh Past Performance.* Past performance should be ranked to ensure it is meaningfully considered. To be meaningful in the screening process (and to ensure offerors are aware that actual contract performance will be a significant factor in future awards), past performance ~~normally should~~may be at least equal in significance to any other non-cost evaluation factor. ~~Generally, if~~ If a numeric weighting system is used, past performance ~~should~~may be rated at 25 percent or more. For example, if there were five non-cost evaluation factors including past performance, then any of the following examples of weightings or relative importance would suffice:

- Past performance at 25 percent with the other four factors rated at 18.75 percent each ($75/4=18.75$)
- Past performance at 25 percent, technical excellence at 25 percent, management at 20 percent, the other two factors at 15 percent each
- All five factors rated at 20 percent

- Technical approach rated at 30 percent, past performance rated at 30 percent (to equal the highest rated other non-cost factor), management at 20 percent and the other two factors rated at 10 percent each
- Technical capability and past performance are considered equal in importance followed by test and evaluation, logistics management, and subcontract management in descending order of importance

(5) *Non-Relevant Contract Experience/New Contractors.* **The SIR should state whether new contractors, or contractors with non-relevant contract experience will be considered, or rated negatively.** For example, if the offeror has a performance history on non-relevant contracts, i.e., prior Government or commercial performance record, but not specifically on the type of work solicited, this information might be used to demonstrate management potential. New contractors may have key management or technical or scientific personnel proposed for the contract that have some relevant experience. An evaluation of the performance of the proposed key personnel on relevant contracts can be used, as appropriate, as part or all of the past performance evaluation. In addition, teaming relationships and subcontractors can enhance the capability of potential offerors to perform, depending on the relationships that exist within the teaming process.

(6) *Time-frame, Size, Scope, Complexity.* The SIR should ask the contractor for references for ongoing or contracts completed within a specified period of time. A period of three to five years is considered reasonable, depending on the particular circumstances. For small dollar contracts where there are many actions and contractors that provide the products or services, a shorter period may be appropriate. Offerors may attempt to "cherry pick" references to provide selected information on past history. To minimize this, the procurement team should attempt to gather past performance history from sources other than those provided by the offeror. Such sources might include the Past Performance Information Retrieval System (PPIRS) database for on-going efforts, other agency contracting personnel, and listings of contract awards posted on the FAA Contract Opportunities. All on-going or completed contracts performed during the identified period, or the last "X" contracts performed by the entity within the identified period should be sought. Instructions to offerors should ask only for a list of the previous contracts and contact points and for a description of any quality awards earned by the offeror. It is not necessary to burden the process by asking that the offeror prepare a description of its past performance history in the proposal. The procurement team should request references for contracts that are similar in size, scope and complexity to the statement of work in the SIR. Each of these terms should be defined in the SIR to alert the offeror to the type of data that is required.

(7) *Discriminators/Sub-factors.*

- (a) Attention should be paid to what discriminates a "good" performer from a "poor" performer for the type of work that will be performed on the specific acquisition. Past performance sub-factors should be shaped by those discriminators, be limited in number, and should be tailored to the key performance criteria in the SOW. For certain prime contracts, the

ability to manage subcontracts, or software development capability may be important discriminators. The following are some other examples of sub-factors that may be used to evaluate past performance: quality, timeliness, cost control, business practices, customer satisfaction, key personnel, and/or quality awards and recognition.

(b) The sub-factors in the SIR should reflect the questions to be used in interviewing references or reviewing any written evaluations provided by the references. For example, sub-factors with corresponding questions under business practices could include:

- *Management Responsiveness* - Is the offeror cooperative, business-like and concerned with the interests of the customer?
- *Contract Change Proposals* - What is the contractor's history on contract change proposals? This includes, changes that lower the overall cost or improve performance - timely and accurate proposals for equitable adjustments - changes that have been withdrawn or dismissed as invalid.

(8) *Relative Importance*. The SIR should state whether all sub-factors are relatively equal, or whether certain sub-factors are more important than others. For example, on a contract where most of the work is done for end users and it is difficult for the contract administration team to observe the contractor's performance in a cost-effective manner, significant weight might be placed on customer (end user) satisfaction ratings from the references.

(9) *Major Subcontractors*. If major subcontractors are likely to perform critical aspects of the contract, the procurement team should evaluate past performance of these subcontractors to determine the overall likelihood of success of the prime contractor. The SIR should state how such information will be evaluated.

(10) *Affiliates, Divisions, etc.* For large organizations with many divisions, consider the past performance of the affiliate, division, etc., that will perform the actual work. In making such decisions, the procurement team must consider the degree of control that a parent organization will exert over the affiliate. If a parent organization has an excellent or poor performance record and the affiliate is going to be closely controlled and managed by the parent, then the procurement team should consider the parent organization's performance record in making the performance evaluation.

(11) *Number of References*. It is important to ask for at least two references for each contract (program/technical and contracts) to assure that all aspects of the offeror's performance will be discussed. The name of the organization providing the report should be released to the offeror; however, the names of individuals should generally not be released without the individual's consent.

(12) *Use of Other Sources.* The instruction to the offerors should include a statement that the Government may use past performance information obtained from other than the sources identified by the offeror, and that the information obtained may be used for both the responsibility determination and the best value decision. For each non-Federal reference, the SIR should include an authorization to release information.

(13) *Inclusion of Survey Form.* The survey form need not be included as an attachment in the SIR. However, if the procurement team elects to release the questionnaire, the SIR should note that the questions to be asked would not be limited to those on the questionnaire.

(14) *Sample SIR Provisions.* Appendix [2 *to this Guidance*](#) contains examples of SIR provisions and an example client authorization letter. The example is not the only way to include past performance in the SIR. Each SIR must contain instructions and evaluation information that best reflects the individual acquisition.

c. Evaluating Past Performance.

(1) *Applicability.* Past performance is one measurement of an offeror's ability to perform.

(2) *Relation to SIR.* Instances of performance, both good and poor, should be noted and related to the SIR requirements. If problems were identified on a prior contract, the role the sponsor may have played in that result should be taken into account. Evaluations should consider the number and severity of problems, the demonstrated effectiveness of corrective actions taken (not just planned or promised), and the overall work record.

(3) *Disclosure of Negative Information.* If the procurement team receives negative information that will have a significant impact on the likelihood of award to an offeror, then the procurement team should disclose the information and provide an opportunity to respond. This is true even if the SIR states that award may be made on initial offers. The SIR should include the appropriate provisions notifying the offerors that FAA retains this option.

(4) *Current Versus Older Performance.* The age of the performance being evaluated may be weighted so that performance on older contracts receives less weight than performance on more recent contracts. More weight may be given to those evaluations on prior FAA or Federal contracts as opposed to contracts with state/local governments or private parties or to prior contracts of a similar nature to the SIR.

(5) *Method of Scoring.* The final past performance rating may be reflected by a color, a number, adjectival, or a combination of these methods, depending upon what system is being used overall to indicate the relative ranking of the offerors. A past performance rating is not a precise mechanical or scientific process and must include sound business judgment. Therefore, the documentation of the final rating should include a logical description of the underlying reasons for the conclusions reached.

(6) *Evaluating Disputed/Negative Information.* When the procurement team receives negative information, or information that is disputed, they should carefully consider the offeror's response and determine what weight to apply, based on the facts obtained from the questionnaire, interview, or other sources. The file ~~should~~ **must** be documented to explain why the procurement team assigned a particular rating. This is especially important in situations involving unresolved disputes.

d. *Obtaining Information on an Offeror's Past Performance.*

(1) *Applicability.* There are various methods of obtaining information on a contractor's past performance.

(2) *Reference Checks.* The most commonly used method of obtaining past performance is to conduct reference checks from a variety of sources, including previous FAA program and contracting personnel, other Federal agencies, state and local governments, and commercial contractors.

(3) *Other Sources.* Dun & Bradstreet can obtain information on past performance on specific contractors for the FAA (Dun & Bradstreet charges for this information). In lieu of FAA paying for the report, the SIR may require offerors to provide a copy of a recent past performance report prepared by Dun & Bradstreet. In this case, the offerors would see the report and have an opportunity to resolve any disputed data before the report is submitted to FAA. Using this process could save time and money, but should not be relied on as the only source of data. Quality certifications and awards can also serve as a useful source of past performance information.

(4) *Timetable.* The process of collecting information should begin as soon as the proposal evaluation begins. Collecting information can be time consuming. Researchers must locate and question sources of information, either in person, by telephone or in writing. Obtaining this information as early as possible in the evaluation process gives the procurement team invaluable information in determining the viability of the individual offerors. If the information shows a history of poor performance, the procurement team can eliminate the proposal from the competition as non-responsible. It may be best to establish a team devoted entirely to this task during the screening, especially if FAA anticipates receiving a large number of proposals.

(5) *Questionnaire or Survey Form.* The first step in obtaining information from sources is to develop a questionnaire, or survey form, that reflects the evaluation rating system that will be used to assess the offerors strengths and weaknesses for the contract being considered. Questions should be worded so that interviewees understand precisely what they are being asked to describe. To maintain accurate records and facilitate verification, the questionnaire (survey) record form should include: Interviewer's name, company name, reference's name (to be held in confidence), full mailing address and telephone number, date and time of the call, and description of the contract effort discussed. ~~Examples of questionnaires suitable for example of a contract requiring system development and production are provided in Appendix~~ **questionnaire 4-is A**

~~sample Business Management Past Performance Questionnaire is included~~ **found** in Appendix ~~3A~~ **2.4 Sample 3B**.

(6) *Information Collection.* Once the questionnaire is prepared, the procurement team should contact references. For all interviews, the questions should be stated to the interviewees exactly as on the questionnaire. There are various ways to collect the information: Face-to-face interviews, mailing the questionnaires, telephone interviews, electronic mail (ensuring security measures are taken), or some combination of these.

(7) *Number of ~~references~~ **References.*** At least two references should be contacted on each previous contract effort. This should be specified in the instruction to offerors. Additional references may often be identified during the interviews. It is also important to survey reasonably large numbers of references in order to look for patterns in their description of performance - individual ratings may be personal and biased. Numerous ratings can show patterns and are therefore much more likely to be a valid indicator.

(8) *Setting Up Interviews.* Being well organized and efficient is important when conducting the interview so as not to waste the interviewee's time. It is helpful to call the reference to make an appointment to conduct an interview, rather than telephoning the references unannounced, thereby catching them unprepared or with little time to respond. If possible, the questionnaire should be mailed or faxed to the reference in advance of the appointment. Interviewers should take copious notes on the questionnaire to ensure that all information is captured. Tape recording is a good means for capturing all of the conversation, however, tape recording the conversation may cause the interviewee discomfort and reduce the amount of information provided. If tape recording is used during the interview, ensure the interviewee is aware of and agrees to the use of recording devices.

(9) *Conducting Interviews.* Evaluators should look for patterns of either favorable or unfavorable overall performance, rather than focusing on individual successes or failures. It is important to look for actions that demonstrate high performance and not just unfavorable performance. This will help to get away from the old responsibility determination mode of just looking at performance problems. There appears to be a tendency for references to give an upward bias to ratings. The interviewer should ask enough questions to discriminate between "good" and "excellent." Evaluators should request any existing documentation in support of excellent or negative findings (i.e., correspondence, modifications, determinations, etc.). Investigating negative findings in-depth prior to presenting them to offerors, in discussions if held, will alleviate unnecessary delays. Prior to concluding the interview, the evaluator should ask the reference for a summary opinion, e.g., how would the interviewee rate the contractor's overall performance and would the interviewee like to do business with the contractor again?

(10) *Concluding Telephone and Face-to-Face Interviews.* Immediately following a telephone or face-to-face interview, the interviewer should prepare a narrative summary

of the conversation (this can be the questionnaire as filled in by the interviewer) and send it to the reference for verification, preferably by certified mail return-receipt requested, fax, or electronic mail. The narrative should state explicitly that if the reference does not object to its content within the time specified, it would be accepted as correct. If the reference indicates that the narrative is incorrect, then a corrected narrative should be sent for verification. If a reference will not agree to the record and satisfactory corrections cannot be agreed upon, the record cannot be relied upon and should not be included in the offeror's rating. Another source may provide the same information, however.

(11) *Mailing Questionnaires.* If mailing questionnaires is the chosen method for collecting past performance information, mail the questionnaires to the references, provide a time-frame for return of responses, and wait for the responses. If mailed questionnaires are not received in a timely manner, follow-up telephone interviews are suggested (following guidance above if telephone interview occurs).

e. *Past Performance Database.*

(1) *Past Performance Information Retrieval System (PPIRS).* The Past Performance Information Retrieval System (PPIRS) is the single, Government-wide repository for contractor performance information, and contains performance information on current and previous Federal contractors. The procurement team ~~uses~~may use PPIRS evaluations to screen offerors and assess the probability of success based on an offeror's past record as a contractor. Upon request, FAA may also supply past performance evaluation information to personnel of other Government agencies evaluating offerors who have performed on FAA contracts (see "Release of Information" subsection below). Headquarters Procurement Information and Services Team (AJA-A12) is FAA's liaison to PPIRS.

(2) ~~Thresholds.~~ The CO, procurement team is strongly encouraged to use PPIRS to record performance data on FAA contracts. in Examples consultation of with FAA acquisitions for which PPIRS may be appropriate are the cognizant following (individually program or in combination):

(a) Technically complex,

(b) High office dollar value, and/or

(c) COTR, More must than complete one year in duration.

PPIRS evaluations ~~for may all non construction also procurements over be \$500,000 done (including on GSA schedule orders Federal Supply Schedule Orders and orders placed under any other contract awarded by another Government agency) and all construction procurements over \$1,000,000.~~ Excluded from PPIRS evaluations is any procurement awarded under the Javits-Wagner-O'Day Act (JWOD).

(3) Evaluation Report Forms System. The National Institute of Health Department of Defense's (NIHDoD) Contractor Performance Assessment Reporting System (CPS CPARS) is the sole "feeder" system for transmitting evaluations to PPIRS. Because the CPS CPARS is the "feeder" system for PPIRS, the evaluation processes forms indicated on the CPS CPARS web site at http://epswww.odcpars.nihcsd.gov/disa.mil must be used for all PPIRS evaluations. The three types modules of evaluation forms CPARS are as follows:-

(a) Standard Evaluation Construction Contractor Form, Appraisal A&E Support Evaluation System Form, (CCASS) module - assesses performance on construction contracts:

(b) Architect-Engineer Contract Administration Support System (ACASS) module - assesses performance on architect-engineer contracts; and

(c) Construction Evaluation CPARS module Form- assesses performance for all other types of contracts.

(4) Creation and Disposition of Records. FAA CPARS Focal Points are responsible for the registration of all newly awarded contracts for which CPARS will be used. For such contracts, PPIRS evaluations must be prepared in CPARS at the completion of contract performance and annually by the anniversary date of contract award, and, if appropriate, after a significant event on a contract or a change in program management or CO. The procurement team should generally prepare An initial report is required if the evaluation period of performance is less than one year. The evaluations should evaluation report be process, shared with various roles of the contractor FAA and the contractor, permitted to provide written and rating areas are comments. detailed Procurement teams should review and in Appendix 3 to this resolve Guidance, contractor's AMS comments, Clause if 3.10.1-26 requested Contractor Performance Assessment Reporting System, by and under the contractor CPARS web site. Copies of the evaluation, the contractor's response, and review comments, if any, must be marked as and treated as "source selection information" and retained in the contract file. A summary of evaluation information must be entered into the PPIRS for future reference. -As use of the PPIRS becomes common throughout FAA, SIRs will need only ask offerors to provide, in the proposal, a list of past contracts they have performed that were similar to the potential contract. The need for a section in the proposal on the offeror's past performance may not be necessary. Evaluation files from PPIRS Government references will provide much, if not all, of the information necessary to evaluate the offeror on past performance. The need for procurement team to conduct extensive interviews with the contract administrators, or conduct other investigations to verify a offeror's past performance should be greatly reduced. Because the contractor will have been offered the opportunity to comment on the ratings as they were prepared, further comment in the proposal or during discussions, if held, will usually not be necessary.

f.—Completion of the Performance Evaluation.

(1) Responsibility. The development of the performance evaluation is the responsibility of the procurement team. Where the contract provides products or services to end users (persons outside the requiring technical organization⁵), the CO and/or COTR are responsible for conducting surveys of these customers and including a summary of the end user ratings in the performance evaluation. This is referred to as the Report Card System on past In performance. (2) When addition to Perform Surveys. End user surveys would automatic apply transmittal to computer services contracts, major systems maintenance contracts where work is done in the field, routine services contracts such as janitorial or food service PPIRS, as well as contracts where products are delivered directly to various sites or where performance cannot be measured until the product is used. Evaluations are required at the time the work under the contract is completed, or work is terminated for convenience or default, or when a decision is made by the procurement team not to extend the terms of the contract based upon performance issues. Performance evaluations should be conducted during the contract must period of performance also be filed in order to provide useful feedback to contractors on their performance and to provide them the opportunity to correct problems before contract completion file. The contract file should reflect efforts on the part of the government to provide the contractor with the results of these evaluations. An honest discussion of any contractor problem areas is important to the Government which is seeking quality service and equally, if not more so, to the contractor. g. Rating Areas. (1) This section provides general guidance on the basic indicators of past will performance indicated be retained in the CPS Evaluation Forms used to enter contractor performance information into PPIRS, but other factors such as management of subcontractors or software development capability may be important discriminators for certain contracts where appropriate consistent with the applicable Evaluation Form. (2) Quality, Timeliness, and Cost Control. Three of the areas, quality, timeliness and cost control, not can be rated objectively by members more than three years after completion of the procurement team. The ratings should reflect how well the contractor complied with the specific contract performance standards for each area. How well the contractor holds up its end of the bargain can, and should, be an essential consideration for future business consideration. The comments should be concise, but provide answers to questions about the performance that would be asked by an evaluator. Here are a few examples: The contractor provided software met all contract performance requirements for ease of use and output. The financial system package actually exceeded expectations in its speed and accuracy. The contractor met all contract milestones Evaluations for development and field installation of the systems. Some internal contractor management milestones were missed, but timely identification of problems and corrective actions kept the program on schedule. The contractor's cost management was excellent construction and resulted in a 2 percent under architect-run from target cost. (3) Business Practices/Relations. Business engineer practices/relations contracts should will be evaluated to measure the contractor's customer relations efforts as well as how well the contractor worked retained with in the CO and technical representative(s). It is important to note that when dealing with FAA, there PPIRS is not more than one customer. Accordingly, this rating area evaluates the business practices between the contractor and the contract administration team. This rating should be developed by the procurement team. Questions to ask might be as follows: How cooperative was the contractor in

working with the government to solve problems? Were contractor recommended solutions effective? Was the contractor 6 responsive to years past the administrative issues date of the contract? Did the contractor exhibit a propensity to submit unnecessary contract change proposals with cost or price increases? evaluation.

(46) Customer Satisfaction. Customer satisfaction measures the interface with the ultimate end user of the product or service, e.g., the personal computer user who needs assistance under a computer services contract, or the person who uses a supply item to complete their work. A When contract cannot be considered another agency asks for a success unless the end user is satisfied. After all reference, support of the end user is the reason for every contract. Accordingly, responsible effort CO should be made to ascertain whether each customer was satisfied, for satisfaction by one does not necessarily mean satisfaction by provide all. The best way to measure contractor performance at the end-user level is the customer satisfaction survey. The quality assurance plan prepared to administer a contract should contain the procedures for receiving customer feedback on contractor performance. This can be done through telephone calls by the COTR, use of written survey forms; complaint boxes in strategic locations evaluations, or other means of measuring end user satisfaction. If it is not cost effective to survey all extracted end users from PPIRS, then a random sample should be selected for the survey. If the procurement team does not have resources, they may be conducted through contracted services. End users may be unfamiliar with the contract requirements and may hold contractors to an unrealistic standard. The CO should evaluate the end users comments to determine if the contractor reasonably tried to meet their period demands within desired by the contract requesting requirements organization. If the contractor met or exceeded applicable contract requirements in an attempt to please the end users, this should be noted on the evaluation form, even if the end users were not totally satisfied with the service. In this case, it may well be that the service for which FAA has contracted is not the service desired or needed by the in customer. PPIRS, Anan evaluation of the contract requirements should be undertaken with input from the end users. However, procurement teams are reminded that FAA does not have any right to require, explicitly or implicitly, or expect benefits not agreed to in the contract. It does mean, however, that "service with a smile" is more than a slogan. A proven rating system done for end user satisfaction measures the percentage of end users that rate the product or service satisfactory or better. It should be recognized that no product or service could satisfy everyone. Therefore, an excellent rating may be 95 percent of end users were satisfied with file the service as requested.-

(57) Key Personnel. Identifying how long key personnel stayed on the contract and how well they managed their portion of the contract can be of great benefit to source selection Effective officials Date. *This information is critical when a newly formed company is competing on a contract and its past performance history* The effective date for this CPARS requirement is based on the past performance of the key personnel. Key personnel past performance looks at the track record of the principal individuals selected to manage and perform other key aspects of the work on the contract. When firms in the commercial world make decisions about which contractor, consultant, or October firm to deal with, they place heavy emphasis on (1) the past performance of the company as a

whole, and (2) how well the firm's employees have performed²⁰¹¹. Often, a company will choose Prior to work with the same contractor based solely on the past performance of its employees. Similarly then, the past performance of the key management personnel to be assigned to a contract data should may be looked at, as an indicator of how well the contract will entered be into performed. CPARS For for new companies entering the marketplace, without relevant company experience, it will be the quality contracts of if the past performance of their key management CO personnel determines that will indicate the risk of good performance and become the basis of the past performance evaluation.

(6) Quality Awards and Certifications. The private sector is increasingly establishing partnerships with suppliers and customers to ensure continuous improvement in the quality of the end products and services. High quality suppliers may be recognized by different awards and certifications, such as the Deming Quality Award, Baldrige Award, President's Quality Award, agency specific awards, or International Standards Organization (ISO) certification. In seeking past performance information, procurement teams may ask offerors about any quality certifications or awards. How quality certifications are evaluated there is at the discretion of the procurement team, consistent with the applicable Evaluation Form.

(7) Subcontracting Goals. a For contracts including a Small basis Small for Disadvantaged, using Women-owned CPARS, and Service Disabled Veteran Owned Subcontracting Plan, the contractor's achievement of Plan goals will be considered as part of performance Clause evaluations. h3. Contractor Response and Review 10.

(1) While the ultimate conclusion on the performance evaluation is a decision of the procurement team, the contractor should be permitted to comment on the evaluation. Upon completion of any evaluation by the procurement team and submission to the PPIRS, registered contractors will receive an electronic notice. Contractors must be PPIRS registered prior to receiving electronic evaluations. The 26 contractor should be given a reasonable time to respond is to in the report contract. The required turnaround time for contractor response CPARS may not similarly be less than 30 days. If the contractor fails to provide a response by the established deadline, the procurement team's comments can stand alone.

(2) If the contractor submits a rebuttal statement for any or all of the ratings and the contractor and CO cannot reach an agreement used on the ratings, then the disagreement should be resolved by the entire procurement team. The procurement team's decision resulting from the review must be in writing and done in a timely manner. The contractor's statement and procurement team's review must be existing attached to contracts if the performance evaluation report and contract must be provided is bilaterally modified to other parties requesting a add reference Clause check.

(3) The completed evaluations are to be filed in the contract file and the PPIRS. The evaluations will be retained in the PPIRS for not more than three years after completion of contract performance 10. Evaluations for construction and architect I-engineer contracts will be retained in the PPIRS not more than six years past the date of the evaluation.

(4) When another agency asks for a reference, the responsible CO should provide all evaluations, extracted from the database, for the period desired by the requesting organization 26.

if. *Release of Information.* The FAA and other agencies should use contractor evaluations to support future award decisions. Solicitations for requirements expected to result in an FAA past

performance evaluation should require the contractor to identify the FAA resultant contract on any Government contract solicitation that requests past performance information, that is issued during performance or up to three years after performance, and is for similar items/services. The completed evaluation must be released to other FAA evaluators, other Government personnel authorized to receive such reports, and the contractor whose performance is being evaluated only. Improper disclosure of such information could harm both the commercial interest of FAA and the competitive position of the contractor being evaluated, as well as impede the efficiency of FAA operations.
